Daily Report

Latin America

FBIS-LAT-96-051
Thursday
14 March 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-96-051 *14 March 1996*

CONTENTS

INTER-AMERICAN AFFAIRS

Inter-American Affairs: Criticism of Helms-Burton Bill *[JORNAL DO BRASIL 13 Mar]* 1

CARIBBEAN

Cuba

Cuba: Helms-Burton Law Not To Stop Foreign Investment *[PRENSA LATINA]* 2
Cuba: CDR National Coordinator on Importance of Taxes *[Havana Radio]* 2

MEXICO

Mexico: PAN Leader Defends Protest Over Puebla *[REFORMA 7 Mar]* 4
Mexico: Midterm Elections Seen Behind PAN Protest *[REFORMA 8 Mar]* 4
Mexico: Compromised PAN Seen in Reform Dispute *[REFORMA 8 Mar]* 5

CENTRAL AMERICA

Costa Rica

Costa Rica: German, Swiss Hostages Released *[Berlin TV]* 8

SOUTH AMERICA

Argentina

Argentina: UK Reimbursement Said Admission of 'Mistake' *[NOTICIAS ARGENTINAS]* 9
Argentina: UK Decision on South Georgia Criticized *[TELAM]* 9
Argentina: Menem Discusses Investment With UK Businessmen *[TELAM]* 9
Argentina: Lithuania's Brazauskas Arrives on Visit *[TELAM]* 10
Argentina: Menem Message Expresses Hopes for Peace Summit *[TELAM]* 10
Argentina: Navy Issues Report on 'Difficult' Situation *[CLARIN 11 Mar]* 10
Argentina: Menem Installs Communications Secretary Padin *[TELAM]* 11

Brazil

Brazil: Minister Cancels Radio, Telecom Licenses *[AGENCIA ESTADO]* 11
Brazil: Congress President Sarney Interviewed on CPI *[O GLOBO 8 Mar]* 11
Brazil: WTO Waiver on Auto Industry To Be Requested *[O ESTADO DE SAO PAULO 8 Mar]* 12
Brazil: Editorial Says Sarney 'Second Man' in Country *[FOLHA DE SAO PAULO 9 Mar]* 12
Brazil: Mercosur Trade Integration Difficulties Viewed *[GAZETA MERCANTIL 9 Mar]* 13
Brazil: PMDB Deputy Mabel Named Government Deputy Leader *[AGENCIA ESTADO]* 14
Brazil: Resolution Restricts Use of Subscription TV *[FOLHA DE SAO PAULO 10 Mar]* 14
Brazil: Poll Shows Optimism, Confidence in President *[O GLOBO 10 Mar]* 14
Brazil: PMDB Leader Named New Social Security Rapporteur *[AGENCIA ESTADO]* 15
Brazil: Commentator Views Government's Errors *[O GLOBO 11 Mar]* 15
Brazil: Parties Refuse To Designate Members for Bank CPI *[AGENCIA ESTADO]* 17
Brazil: Liberal Front Party President Reelected *[AGENCIA ESTADO]* 17
Brazil: Rapporteur Presents Retirement System Proposals *[Rio de Janeiro TV]* 17
Brazil: Deputies Set Vote on Patent Bill for 13 Mar *[AGENCIA ESTADO]* 17

Brazil: Governor Says Support for CPI Irresponsible *[Brasilia Radio]* 18

Chile

Chile: PS, PPD Senators Reject Helms-Burton Amendment Bill *[EL MERCURIO 13 Mar]* 18
Chile: Government Acknowledges Money Laundering *[Santiago TV]* 18
Chile: Sustainability of Economic Model Viewed *[EL MERCURIO 23 Feb]* 19
Chile: Parties Plan for CUT Elections *[LA NACION 16 Feb]* 21

Colombia

Colombia: Possibility of Samper's Exoneration Viewed *[SEMANA 5 Mar]* 22
Colombia: Coast Guard Stations To Deter Traffickers *[EL TIEMPO 11 Mar]* 24
Colombia: Drug Shipment Route Said Used by FARC *[EL TIEMPO 11 Mar]* 24

Ecuador

Ecuador: MOMEP's Second Phase Ends; Third Phase Begins *[Quito Radio]* 25
Ecuador: Reactions to Peru's Disclosure on MOMEP Cost *[Quito Radio]* 25
Ecuador: President on Decision To Convene Special Session *[Quito Radio]* 25
Ecuador: Lack of National Vision Decried *[HOY 5 Mar]* 26

Paraguay

Paraguay: 'Evidence' of Congressional Wrongdoings *[NOTICIAS 1 Mar]* 26
Paraguay: Asuncion Mayor Seeks PEN Presidency *[NOTICIAS 21 Feb]* 27
Paraguay: Declaration Issued on Upcoming Peasant March *[NOTICIAS 12 Mar]* 27

Peru

Peru: Congressional Friendship Group Created With Brazil *[EL COMERCIO 21 Feb]* 28
Daily Criticizes Ecuador's Claim Over Amazon *[EXPRESO 8 Mar]* 28
Peru: Ecuadoran Argument on River Extension 'Fallacious' *[LA REPUBLICA 10 Mar]* 29
Peru: Analyst Says SL May Become 'Urban Terrorist' Group *[LA REPUBLICA 10 Mar]* 30

Inter-American Affairs: Criticism of Helms-Burton Bill

PY1403004696 Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Mar 96 p 11

[Report by correspondent Flavia Sekles]

[FBIS Translated Excerpt] Washington — U.S. President Bill Clinton yesterday signed the Helms-Burton bill, which tightens economic sanctions on Cuba. [passage omitted]

In Brasilia, the Rio Group member countries have stated their "most energetic reaction" to the bill. Brazil and the 13 other member countries of the Rio Group believe the bill violates principles and rules of International Law, the UN Charter, and the OAS Charter. It is also contrary to the WTO principles, and "overlooks the fundamental principle of respect for the sovereignty of other states."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Cuba: Helms-Burton Law Not To Stop Foreign Investment

PA1303224296 Havana PRENSA LATINA in Spanish 2048 GMT 13 Mar 96

[FBIS Translated Text] Havana, 13 Mar (PL) — Raul Taladrid, vice minister of the Foreign Investment Ministry (Minvec), today affirmed that the Helms—Burton law harms Cuba, but that it is incapable of stopping or reversing foreign capital interest in the island.

Cuba is currently negotiating investment promotion and protection agreements with 25 countries, the vice minister told the local media today. He cited agreements with, among others, Germany, Switzerland, Belgium, France, and the Netherlands.

Yesterday President William Clinton attacked this process, which Havana started in 1992 with the signing of the first agreements of this type with Spain and Italy, as he signed the Helms-Burton bill into law, which, among other things, intends to punish those nations that trade with the island.

Likewise, it was known that agreements with 14 other countries, including Colombia, Bolivia, Ukraine, Chile, Argentina, Barbados, Russia, Romania, the PRC, the United Kingdom, and Vietnam, have been ratified so far.

Taladrid pointed out that these legal instruments are established at the government level and they set a number of regulations and foundations to guarantee a reciprocal investment protection among countries.

He praised the positions Canada and Mexico took, as well as those of the United Kingdom and almost all the nations of the world, which clearly rejected the anti-Cuban law.

The Minvec vice minister also said that, by late 1995, Cuba had welcomed investments amounting to more than $2 billion from 55 countries, adding that there are 200 more negotiations going on.

Cuba: CDR National Coordinator on Importance of Taxes

PA1303150996 Havana Radio Rebelde Network in Spanish 1255 GMT 9 Mar 96

[Interview with Juan Contino, national coordinator of the Committees for the Defense of the Revolution, CDR, and Joaquin Cambra, judicial director of the UNAS (expansion unknown), by anchors Felix Fernando Garrido and Loly (not further identified); from the "Doing Radio" program — live]

[FBIS Translated Text] [Garrido] Now back to today's issue: Cuba's tax system.

[Loly] To help underwrite social programs is one of the functions of taxes. This is included in this document I have, which the national leadership of the Committees for the Defense of the Revolution [CDR] has prepared to provide more information to most of the population that, as Garrido already stated, belongs to the CDR. A measure of how important it is to participate in underwriting social programs is that the Cuban state disburses 4 million pesos every day to underwrite social security alone.

[Garrido] This, undoubtedly, will deeply move every Cuban citizen. I believe, in great part, that what the CDR is doing is just that, stirring everyone's sensitivity and allowing everyone to better understand the significance of the tax system.

Contino, in this regard, I would like for you to explain what moved the national coordination office to provide this information in such an easy, appealing, and practical format to encourage this spirit, this mood, in the population.

[Contino] Yes, I believe this issue is important because it is very important for everyone to be familiar with it as it relates to the unity that must always exist between the economy and policies, between an economic measure and a political goal of the revolution. That goal is to explain that these taxes, all the revenues accrued, do not go to anyone's pocket but to the state's, the country's purse and thus benefit the entire population.

[Loly] Each and every one of us.

[Contino] Exactly, that money benefits everyone. There are steep disbursements such as these in our budget. It includes many interesting details, such as that almost 14 percent of the national budget for 1996 is allocated to cover social security and social welfare. A little over 50 percent of our budget is designated for social expenditures such as education, health, welfare, and other social programs.

It is very important for the population to be aware of this. It is very important for political understanding and defense of the revolution. This is what spurred us to put out this information. It must be understood that taxes will help every segment of the population. The taxpayer benefits: They are competing under equal conditions and the law of supply and demand. Some have and others do not; some are legal and others are not. Therefore, some of them have advantages over others. I believe

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the taxpayers, the self-employed workers themselves, are the ones who should ensure everyone is legal for the reasons I explained. Besides, we all must be defenders of socialist legality. That is another goal of the CDR.

If there is an atmosphere of legality, we would be living in an orderly country, with much more serenity. That is what we want to achieve. We speak frequently of education and health accomplishments, but one of the great accomplishments is also domestic peace and tranquillity, which our children and our entire population enjoys in their neighborhoods, living in harmony and safety.

[Garrido] By the way, comrade Joaquin Cambra, the judicial director of the UNAS [expansion unknown], was telling me earlier about the meaning of legal penalties for people who do not pay taxes; they are helping to create a deficit in the budget for social programs.

[Cambra] Yes. It is truly important, as Contino was saying, for our population to understand and become more accustomed to taxes everyday, but it is also important for everyone to understand that among the top goals of the National Tax Administration Office is the fight against fiscal evasion, which is at the core of our current efforts. We are developing a group of actions to prevent and fight tax evasion.

Paying taxes, as Contino said, is of great importance to underwrite social programs. There are clear examples of that. What was collected in Havana from self-employed workers during 1995 is enough to cover the expenses of a hospital such as the Hermanos Ameijeiras Clinical Surgical Hospital. Average annual expenditures per person for health services is 98 pesos, and this expenditure can be covered by a monthly tax from a self-employed worker. This is really the goal of taxes. This is the most important thing our population must understand.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico: PAN Leader Defends Protest Over Puebla

96CA0130A Mexico City REFORMA in Spanish 7 Mar 96

[Commentary by Carlos Castillo Peraza, president of the National Action Party: "Kidnapper's Logic" — received via Internet]

[FBIS Translated Text] In a brilliant article a while back Jose Woldenberg refuted the evil logic with which kidnappers explain their demands to the public and by way of these tortuous paths manage to shift the burden of responsibility for the hostage's possible death onto his relatives. Indeed, when such deplorable developments take place, the man in the street eventually tends to believe that those who refuse to pay the ransom are to blame, not the criminals who hold the hostage hidden and a prisoner, after seizing him by methods that are as violent as they are illegal.

The government-party has just undertaken, amid a profusion of headlines and loudspeakers, a political and mass-media operation similar to the one described in the previous paragraph. It now so happens that those protesting electoral fraud by resorting to the only means that they have left to make themselves heard are the ones who are endangering the democratic process in the country. As the torturer would say:

"How the screams of the beaten wound the ears; the tortured certainly display no clemency toward our executioner eardrums. They even disturb the sleep of our neighbors. How little respect they show their fellow man! They will have to be silenced to prevent the social disorder that their moans are causing."

It would seem as though the only thing that the dinosaur caciques consider unacceptable from the opposition is...to behave like an opposition! This is one of the clearest examples imaginable of their notion of democracy: all those not in agreement with the people in power have every right to think such thoughts, but if they express them, if they manifest them, they are "immoral," a menace to peace, a hindrance to the progress of what is indisputably the good. In short, the kidnap victim and his family have been turned into culprits, and the kidnappers into heroes whose exploits cannot become whole or bear fruit through the fault of the hostages and their greedy relatives.

PAN's withdrawal from the political talks seems to be causing more irritation and uneasiness than the bullets or pamphlets of rebels or common criminals. This simple gesture, which PRI [Institutional Revolutionary Party] could counter through its virtually permanent "majority status," causes it to fly off the handle, driving it to emit all sorts of noises that are disrupting the country's social climate. In fact, it has made them more bellicose than has any guerrilla or any attempt to prosecute some of their cronies. As a result, they are trying to apply as many pejorative adjectives as they can think of to the peaceful, democratic opposition. Just imagine: if electoral fraud persists, what validity could there be to the outcome of rigged elections like the ones in recent weeks? Who would believe that such outcomes represent voter punishment of the opposition, not just more vote-stealing perpetrated by electoral criminals and applauded by our nation's political dinosaurs?

The president's speech to his fellow party members was nothing new as far as the opposition is concerned. He reaffirmed what has been said by prominent members of the "old order," which is, among other things, obsolete, authoritarian, centralist, top-down, arrogant, etc. To be sure, it was unquestionably a pleasant surprise to those who, for some time, have feared innovation. They will no doubt say "all quiet on the front." What the Puebla caciques are perpetrating against democracy in Huejotzingo is an expression of nostalgia for the good old days when Santiago Onate worked for Manuel Bartlett; it is also a sort of muffled, cowardly revenge after PRI's broad-based defeat in the November elections, a way of imposing antidemocracy in the name of federalism, a way of making the head of the federal executive branch look bad, and an obvious violation of the human rights of thousands of people.

I would like to think that the human rights of the citizens who live in Puebla are as sacred as those of the citizens who die in Guerrero and that they deserve not only to be honored by the local hordes but also defended by the federal ones. Unless, of course, that the Mexican was right when he said that in our country everything that is done for dead Indians is tolerated and applauded, but everything done for living ones is impeded and thwarted.

Mexico: Midterm Elections Seen Behind PAN Protest

96CA0131A Mexico City REFORMA in Spanish 8 Mar 96

[Commentary by Sergio Sarmiento, journalist and encyclopedist: "PAN Strategy?" — received via Internet]

[FBIS Translated Text] "A man should always say much more than he intends...and intend much more than he says." Oscar Wilde

As far as PAN [National Action Party] leaders are concerned, the matter is very simple: there is no such thing as minor fraud. The flouting of the will of the people in Huejotzingo more than justifies PAN's

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

withdrawal from the negotiations for the reform of the state.

As far as a senior government official from PRI [Institutional Revolutionary Party] is concerned, however, Huejotzingo is merely a pretext for implementing a decision that had been made earlier: to remove PAN from the apparatus of the state.

PAN has been paying a high political price for its perceived closeness to the federal government. Antonio Lozano's presence in the cabinet and PAN's votes for several presidential initiatives in Congress, especially during the previous administration, have prompted criticism to the effect that PAN has ceased to be a real opposition. The PRD [Party of the Democratic Opposition] has promoted such charges in seeking to play the role of the country's only true opposition.

This accusation is particularly damaging at a time when the administration and PRI are at their nadir in popularity and protest votes are taking on great importance in elections.

A senior government official tells me that in light of this situation PAN has made a premeditated decision to distance itself publicly from the administration. The current apparent dispute between President Zedillo and PAN is, according to his version, a result of this strategy.

PAN has taken part in the negotiating process on reform of the state, but apparently without much enthusiasm. According to my source, Carlos Castillo Peraza and other PAN leaders feel that the current electoral regulations are sufficient, by and large, to produce a PAN victory in the 1997 legislative balloting and in the presidential election in the year 2000.

There is also skepticism among PRI affiliates about the reform of the state. Many members of the ruling party think that ideally it should return to the times when "it played politics" and handed out favors and cushy jobs as a way to secure the backing of the various power groups. PRI supports the reform, however, because it is a project of President Zedillo, in fact, one that the chief executive regards as among the most important of his administration.

The PRD is enthusiastic about the reform of the state because it realizes that under the current rules it has no immediate chance of taking power through elections. Its involvement in the reform effort, therefore, is designed more to lend influence to the opposition than to pave the way for its own coming to power.

Castillo Peraza has on several occasions deceived President Zedillo and Interior [Gobernacion] Secretary Emilio Chuayffet about his political intentions, the official I consulted tells me. According to his account, the president of PAN promised them that his party would vote for the Social Security reform bill but said afterwards that he was unable to control his deputies when the time came for them to cast ballots. He also promised to get Diego Fernandez de Cevallos under control when he started turning the fraud in Huejotzingo into grounds for PAN to withdraw from the negotiations for the reform of the state. But he again said afterwards that he had been unable to control the members of the party's National Executive Committee. According to this source, these developments explain President Zedillo's warning to PAN in his speech on 2 March.

It is hard to believe that Castillo Peraza's leadership in PAN is as weak as would be suggested by his assertions that he was unable to control his deputies in voting on the IMSS [Mexican Social Security Institute] bill or the members of the National Executive Committee in connection with withdrawal from the political reform effort. According to this official, it would seem, rather, that Castillo Peraza made promises that he knew he could not keep or that he simply chose not to keep because they run counter to a political strategy that the party has consciously adopted: to separate its public image from that of the administration.

According to this member of PRI, the issue goes beyond a mere strategic decision by an independent political party. There is an element of deceit in Castillo Peraza's strategy. "PAN knows that the 1997 elections will be clean.... If it wins, it will simply accept its victory. If it loses and has not signed on to a new electoral law, it will protest the result.... PAN wants to be in a no-lose situation for the 1997 elections."

Mexico: Compromised PAN Seen in Reform Dispute

96CA0132A Mexico City REFORMA in Spanish 8 Mar 96

[Commentary by Luis Javier Garrido, member of the National Autonomous University of Mexico's Center for Social Research and National Democratic Convention's National Council of Representatives: "The Disagreement" — received via Internet]

[FBIS Translated Text] The disagreement between the government and the leadership of the National Action Party (PAN) is not the breakup of the "strategic alliance" forged during the Salinas years, but a simple dispute in which each side is trying to restructure the relationship; and once again, the terms are being dictated by Los Pinos. The fact that it has been so easy to size up the PAN can also be explained: Although the press is on

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

orders to hide it, the man who is making the important decisions is the same one who copiloted Mexico for six years: Joseph-Marie Cordoba.

1. The leaders of National Action were taken aback by the refusal of Ernesto Zedillo's administration to continue negotiating post-electoral conflicts with them, because they never understood how the Salinas and Zedillo administrations were using them. Thus, the PAN's National Executive Committee (CEN) was unable to respond to the escalation of the PRI [Institutional Revolutionary Party] leaders' verbal assault on the PAN, which culminated when Santiago Onate (president of the PRI) called PAN negotiator Diego Fernandez de Cevallos a "fugitive from justice" and an "electoral outlaw."

2. The disagreement between Zedillo and the PAN began with the PAN's postelectoral protests against the fraud in Yucatan in April 1995, and deepened with the Huejotzingo mobilization in February 1996, because according to the government's reasoning, postelectoral protests have a dual negative effect: a) they point up the fact that there is no rule of law in the country, and b) they have a negative impact on the economy. Ernesto Zedillo himself emphasized the heart of the matter in his diatribe against the PAN on the occasion of the 67th anniversary of the founding of the National Revolutionary Party (PNR), when he defined what he absurdly calls a "definitive electoral reform" (the one he and Chuayffet want to impose on the parties). This reform, he said, would finally "do away with" conflicts "that weaken political life." And that is what the government is demanding of the parties: that they not organize mobilizations, even if there is fraud.

3. The terms of PAN's "strategic alliance" with Carlos Salinas were not made public, but it is possible to tell what they were because of the changes both sides made in their behavior after 1988. The government pledged, after agreeing with the PAN—and not the Party of the Democratic Revolution (PRD)—on the amendments that would be made to electoral legislation in 1989-90, to: a) create the conditions that would enable PAN members to fill some local offices gradually; b) rectify the serious irregularities in the electoral processes, provided that talks were held to negotiate such corrections; c) seek compromise solutions to any postelectoral conflicts; d) end the campaign to discredit the PAN in the media and portray it from then on as the only serious and responsible "opposition" in the country; e) negotiate bills with the PAN before introducing them in Congress; f) keep the PAN leadership apprised of significant government decisions in a free-flowing dialogue; and, finally g) exclude the PRD and use all means (including violence) to combat it.

4. The leaders of the PAN, in turn, made a series of commitments to their friend and protector Carlos Salinas, which were defined throughout the presidential term and which amounted to a significant about-face in National Action's policies: a) not to question the administration and to focus their criticism on the PRI and on the old guard of political and union leaders; b) not to engage in civil disobedience, and to abandon social mobilizations and denunciations abroad as means of exerting pressure; c) to maintain an ongoing dialogue with the government with a view to backing the administration's initiatives in Congress; d) to avoid criticizing the administration and its policies in campaigns; e) to use consensus-building instead of denunciations and mobilizations to resolve electoral disputes; f) to view the PRD, not the government, as the true enemy, and to make the PRD the central target of its criticism; and finally, g) to seek, in the context of a very close relationship, the broadest possible convergence of policies with Los Pinos, or in other words, to deal with everything in private rather than in public.

5. The consequences of these agreements were of tremendous importance to the country, because although the PAN achieved a stronger political foothold, it came at the cost of strengthening the "system" and becoming an accomplice in all of the government's policies, especially the crimes committed by Carlos Salinas de Gortari, for whom the PAN has continued to cover up. National Action ceased to be a democratic opposition party fighting for a change in regime, and the PAN party hierarchy, led by Carlos Castillo Peraza, acted as if they were a ruling party. They took turns masquerading as president and party of the state (1993-96), and that is a key point in the crisis the blue and white party is undergoing today. The PAN leaders share the blame for the policies of the Salinas administration because they backed them up and kept silent in the face of systematic violations of the constitutional order of the republic. They refuse to face up to this problem now.

6. The PAN crisis is extremely serious, since the party's stance on the government is not openly disputed. In the absence of an internal democratic life, the objectives of a political party can be perverted, and the PAN is no exception. The cancellation of the debate between Ernesto Ruffo and Felipe Calderon, the two candidates for the party leadership, prevented any public scrutiny of the internal division on this problem, but it contributed to the steady weakening of the party.

7. There are very clear signs that National Action will remain on that track of subordination to the government, and the "strategic alliance" will be reformulated according to terms set by Cordoba and Zedillo. This is evidenced by the lack of any response by PAN lead-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ers to the official broadside against them; flustered by the statements, all they could do was blurt out some confused retorts, a reflection of their inability to characterize the Mexican political system and the technocrats. In response to Onate's words, Castillo Peraza declared to Television Azteca that it had not been Onate speaking; it had been his voice and his gestures, but "a dinosaur" appeared to be speaking for him (Channel 13, 4 March). Diego, so haughty toward the PRD members, simply declared himself "misunderstood," and lowering his head in submission, he astutely surmised that Onate was speaking for Zedillo, who did not understand the PAN or its democratic struggle, he said. He forgot to respond to the accusation that he had been the main negotiator of PAN votes (LA JORNADA, 5 March). Barrio, in turn, offered his services as a mediator to prevent the rupture of this alliance, "for the good of Mexico" (ULTIMAS NOTICIAS, 5 March). And Felipe Calderon has made a point of recalling his friendship with everyone in the Salinas administration, from Luis Tellez (REFORMA, 3 March) to Onate himself (Channel 13, 6 March).

8. Furthermore, the dispute unmasks another of the maneuvers plotted by Carlos Salinas and Diego Fernandez de Cevallos: installing a PAN attorney general who would guarantee Salinas' impunity. His task is now impossible, because his role in the deal has become obvious.

9. The PAN, despite the efforts of hundreds of its members, is a party adrift today, because the ambition of many of its men caused them to abandon the organization's historic principles to pursue power with the same materialistic fervor as the PRI. The PAN has no democratic proposal for Mexico in 1996, nor does it have any different economic program than that of the government, which is that of the IMF: the program of the transnational rightists. It lost any moral authority it had by endorsing policies that were contrary to Mexicans' interests and by becoming an accomplice to Salinas. It is not an alternative to the PRI.

10. Throughout Mexican history, the strength of the system has rested upon the weakness of the opposition, and that is the tragedy of 1996. The PRI regime is surviving its most serious crisis because of the parties' inability to bring about the transition to a rule of law, and because of the government's "strategic alliance" with the PAN.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Costa Rica

Costa Rica: German, Swiss Hostages Released

LD1203165996 Berlin ARD/ZDF Videotext in German 1635 GMT 12 Mar 96

[FBIS Translated Text] The German woman Nicola Fleuchaus and the Swiss woman Susana Siegfried, who had been kidnapped in Costa Rica, have been released.

This was reported by local radio and television stations in Costa Rica with reference to the families of the two women.

Armed attackers had kidnapped Fleuchaus and Siegfried from a mountain hotel in the north of the country, near the border with Nicaragua, at the beginning of January. It is not yet known whether the demands of the kidnappers were met. They had demanded a ransom and social reforms in Costa Rica.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Argentina: UK Reimbursement Said Admission of 'Mistake'

PY1303132896 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2338 GMT 12 Mar 96

[FBIS Translated Text] Buenos Aires, 12 Mar (NA) — Foreign Vice Minister Fernando Petrella noted today that the British decision to reimburse fees to a trawler that was fishing in South Georgia Island waters was prompted by the fact that "the UK became aware of the fact that the Argentine reaction was sufficiently appropriate for changing the UK's viewpoint."

Petrella also emphasized that the spate of challenges to the British attitude of charging fees to trawlers has confirmed that "its alleged jurisdiction to charge fees in that zone has not gained acceptance."

In remarks to a radio station, Petrella indicated: "The UK has become aware of the fact that the Argentine reaction was sufficiently appropriate for it to change its viewpoint."

The Foreign Ministry reported yesterday that the British authorities stationed in the South Georgia Islands had decided to reimburse the vessel Antarctic III, sailing under the Argentine flag, the $110,000 that it had been forced to pay for fishing black hake near the archipelago.

With regard to the reasons leading the British to reimburse the money after their adamant diplomatic attitude, Petrella emphasized that the British had admitted their mistake.

Petrella indicated: "I believe the abuse of various fishing fleets was so obvious that the British administration in that island became aware of the fact that it could no longer proceed vis-a-vis the international responsibilities that could be in store for it."

Argentina: UK Decision on South Georgia Criticized

PY1303183396 Buenos Aires TELAM in Spanish 1514 GMT 13 Mar 96

[FBIS Translated Text] Buenos Aires, 13 Mar (TELAM) — Foreign Vice Minister Fernando Petrella criticized today the British decision to reinforce military controls on fishing in the South Georgia Island area.

Petrella said the UK measure "really proves the precariousness of the rights they are using to collect fishing fees."

He made these remarks upon entering the Government House at noon today to participate in a reception ceremony hosted by President Carlos Menem for his Lithuanian counterpart, Algirdas Brazauskas.

Petrella said that if the United Kingdom really had any rights over the South Georgia, "it would not require a permanent military presence."

Petrella emphasized: "Argentina is acting correctly, as it may only be required from diplomats," in the ongoing fishing dispute with London.

He emphasized that the money the Argentine vessel Antarctic III paid under protest to the British administrators in the South Georgia "was reimbursed."

The foreign vice minister added: "The United Kingdom has reimbursed these fees to a vessel that was fishing with Argentine authorization and this is what should really matter to us."

Asked about the possibility of Foreign Minister Guido Di Tella meeting UN Secretary General Butrus Butrus-Ghali, Petrella responded that "this step is being studied." Nevertheless, he pointed out: "This step has not been confirmed."

Argentina: Menem Discusses Investment With UK Businessmen

PY1303190496 Buenos Aires TELAM in Spanish 1621 GMT 13 Mar 96

[FBIS Translated Excerpt] Buenos Aires, 13 Mar (TELAM) — President Carlos Menem and British Gas company representatives reviewed today the prospects for increasing investments by British Gas and by other EU companies in Argentina and in Mercosur [Common Market of the South].

After a meeting between Lord Peter Walker of Worcester, a British Gas company director, and President Menem at the Government House, Foreign Vice Minister Fernando Petrella reported: "They discussed new prospects for investment."

Petrella noted that Lord Walker "emphasized our economic program achievements, Argentina's international integration into the world, and the significance of relations between Mercosur and the EU."

Petrella said that Lord Walker "recommended increasing the meetings with EU Trade Commission officials to strengthen Mercosur's and Argentina's ties" with the EU.

Asked if the UK requirement of charging fishing fees to Argentine vessels operating in the South Georgia Island area had been raised during the meeting with Menem, Petrella said: "Nothing was said on this issue." [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina: Lithuania's Brazauskas Arrives on Visit

PY1303153396 Buenos Aires TELAM in Spanish 1428 GMT 13 Mar 96

[FBIS Translated Text] Buenos Aires, 13 Mar (TELAM) — Lithuanian President Algirdas Brazauskas arrived at 1120 [1420 GMT] today at the Jorge Newbery metropolitan airport, thus beginning an official visit to Argentina. He is scheduled to meet Argentine President Carlos Menem today.

At the international airport, Brazauskas was met by Foreign Minister Guido Di Tella and Apostolic Nuncio Ubaldo Calabresi.

Argentina: Menem Message Expresses Hopes for Peace Summit

PY1303190396 Buenos Aires TELAM in Spanish 1714 GMT 13 Mar 96

[FBIS Translated Text] Buenos Aires, 13 Mar (TELAM) — President Carlos Menem expressed today his enthusiastic wish for the Promoters of Peace Summit, which was held in the Egyptian city of Sharm al-Shaykh today, to contribute to breathing new life into the Middle East peace negotiations and confirmed the Argentine Government's rejection of any type of terrorism.

In a letter for his Egyptian counterpart, Hosni Mubarak, Menem pointed out: "Aware of the historic significance, for the good of that region and the entire humanity, of this Promoters of Peace Summit and the difficult circumstances under which it is taking place, I want to emphatically convey to you a message of solidarity from the Argentine Government and the Argentine people."

The president noted that the Argentine Government "has been clearly and definitively favoring peace negotiations in the Middle East since their inception."

Menem also noted that his administration "has hailed with satisfaction all the agreements achieved as they represent the only alternative possible for achieving and guaranteeing the well-being and happiness of all the nations in that region."

Menem adds: "With the same spirit, we unequivocally and emphatically condemn all expressions and types of terrorism, bearing in mind that violence breeds more violence and undermines all efforts striving for peace."

The letter ultimately states: "I am conveying to you my enthusiastic wish for your discussions to end successfully and to effectively contribute to breathing new life into the peace negotiations and into the spirit of its participants."

During the opening ceremony of the Promoters of Peace Summit that was urgently called in this Egyptian city after the attacks recently perpetrated in Israel, leaders and heads of government from 30 countries of the world today issued in Sharm al-Shaykh a call for peace and condemned all types of terrorism.

The discussions were jointly presided over by Egyptian President Hosni Mubarak and U.S. President Bill Clinton.

Argentina: Navy Issues Report on 'Difficult' Situation

PY1303124596 Buenos Aires CLARIN in Spanish 11 Mar 96 p 10

[Article by Luis Garasino]

[FBIS Translated Text] The crisis over the South Georgia Islands put the Navy's **difficult operational situation** up for discussion, as it poses problems for guaranteeing an effective presence in the South Atlantic and for eventually supporting a diplomatic action.

This issue was reviewed by the government and by congressmen who, in late 1995, became acquainted with a **crude report** presented to the defense committees by Admiral Enrique Molina Pico, the Navy chief of staff.

Congressional sources reported that the Navy chief of staff presented the Navy's **crude situation** and supplied a number of data and figures to which CLARIN has gained access. Defense Ministry officials are modestly describing these data and figures as "**a vulnerability gap**" in the [defense] system.

A Discouraging Report

The Navy report notes that, out of 49 ships, **barely two are operational**. Fifty-seven percent of these 49 ships are "downgraded." In other words, they are operational, but not all their systems are in top condition. Seven ships may be described as "**extremely downgraded**," 10 ships are directly "not operational," and two ships are under construction.

The situation prevailing in the naval aviation area is not much better, as, out of 68 planes and helicopters, **barely 15 are operational**. Eight aircraft have been described as "downgraded" and eight other aircraft are being overhauled.

The report further elaborates that, out of the **14** French-made Super Etendard, which are the naval aviation's strike force par excellence, barely **two are operational**, two were lost in accidents, and the remainder are not operational, but there is a program to overhaul them.

Therefore, defense experts believe the naval aviation has **virtually disappeared** as a strike force and barely keeps a limited transportation and patrol capacity.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Navy personnel training has also **deteriorated significantly**. For the past five years, navigation days have been under the yearly 30-day period deemed as necessary for maintaining the level of training of complements. This has also been the case for naval aviation pilots, who, for the past five years, have been unable to achieve the yearly 15,000 hours of flight that are deemed as necessary for their training. For the past five years, the Marines have been unable to achieve their yearly 60-day campaign period.

Argentina: Menem Installs Communications Secretary Padin

PY1303183496 Buenos Aires TELAM in Spanish 1632 GMT 13 Mar 96

[FBIS Translated Text] Buenos Aires, 13 Mar (TELAM) — At Government house this afternoon, President Carlos Menem installed Communications Secretary Guillermo Padin.

Chief of Cabinet Eduardo Bauza and Interior Minister Carlos Corach participated in the ceremony that began at 1310 at the presidential office.

Brazil

Brazil: Minister Cancels Radio, Telecom Licenses

PY1203191496 Sao Paulo AGENCIA ESTADO in Portuguese 2247 GMT 4 Mar 96

[FBIS Translated Text] Brasilia, 4 Mar (AE) — Communications Minister Sergio Motta has canceled 120 radio broadcasting and telecommunications licenses. Through resolutions published today in the official gazette, he implemented what he calls a "license updating program." Motta is being firm over deadlines and technical standards, withdrawing licenses from those who fail to comply with the rules.

The resolution canceled 79 television relaying station licenses, 16 paging system licenses, and 14 trunking system licenses. They were canceled because of failure to meet the deadline for starting operations, which is a violation of the Radio Broadcasting Service Regulations, approved in 1963. The enterprises affected by the cancellations are spread all over Brazil, but they are concentrated in Bahia, Mato Grosso do Sul, Santa Catarina, and Rio Grande do Sul.

Pirate Radios — Motta also ordered a tight control on pirate radio stations. Communication Ministry specialists have reported that many illegal stations started operating within the past few months, encouraged by the possible approval of a new law regulating low-power stations, the so-called "community" radios.

The minister promised to send to Congress a bill regulating those stations. He told his assistants, however, that until approval of the new law, any pirate radio will be illegal and must be repressed. The Federal Police have been asked to seize the equipment. The government believes that there are more than 1,000 pirate radios in Sao Paulo.

Brazil: Congress President Sarney Interviewed on CPI

PY1303031796 Rio de Janeiro O GLOBO in Portuguese 8 Mar 96 p 3

[Interview with Brazilian Congress President Jose Sarney by Gustavo Villela and Luciano Dias in Rio de Janeiro on 7 March]

[FBIS Translated Text] [O GLOBO] Would you favor extending the CPI [Congressional Investigative Committee] investigation regarding the banks backward to the years when you were president?

[Sarney] It can be extended to any period to time. It could investigate whatever it wants; there is no limit.

[O GLOBO] Would you also include the Banerj [Rio de Janeiro State Bank] and Banespa [Sao Paulo State Bank]?

[Sarney] A CPI has no limitations. It can investigate what it thinks it must investigate.

[O GLOBO] Do you fear retaliation by President Cardoso?

[Sarney] No. I think that the president, like us, has demonstrated interest in investigating the irregularities. If they exist, they will turn up; if they do not exist, they will not turn up. At any rate, the president is not being investigated.

[O GLOBO] Did you free the PMDB [Brazilian Democratic Movement Party] bloc to vote in favor of the CPI?

[Sarney] I cannot free the bloc because I am not its leader. I cannot free it nor order it to approve something.

[O GLOBO] Do you fear any reference during the CPI investigation to the case of the wasps? (Cardoso referred to Sarney's book "Wasps of Fire" during a speech on 4 March in Belo Horizonte, during which he said that wasps sometimes stung him.)

[Sarney] I do not think so because nobody read the book. Therefore, he does not even know its name. He was speaking of wasps, the insects, not the book.

[O GLOBO] Do you believe that the CPI could lead to instability?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Sarney] That argument should not be used to prevent the investigation of facts. During my administration I suffered serious experiences. I underwent the experiences involving the constituent assembly and congressional investigative committees. The situation at present is different. The economy is stable, inflation is low, and we have international credibility and a president who carries out a political coordination agenda with efficiency.

[O GLOBO] Interatlantico Bank President Jose Luiz Miranda said that you are more interested in your reelection and in engaging in political maneuvers through the CPI.

[Sarney] I am not a candidate for reelection. I just complied with the internal rules of the Senate. The petition for the creation of the CPI was not signed only by my party colleagues; PSDB [Brazilian Social Democracy Party] and PFL [Liberal Front Party] members also signed it. There were more PMDB signatures because the PMDB is the largest party.

Brazil: WTO Waiver on Auto Industry To Be Requested

PY1203135096 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Mar 96 p B8

[By Vladimir Goitia]

[FBIS Translated Text] Brazil will officially ask the WTO for a "waiver" for the Provisional Measure that protects the domestic automobile industry from foreign competition. According to a high-ranking Itamaraty source, the request — addressed to the WTO Council of Trade and Merchandises — will be submitted at the latest on 15 March, that is, before 19 March, when the council will meet in Geneva.

"At the meeting of the Council of Trade and Merchandises, the Brazilian delegation to the WTO will make a short briefing, announcing that Brazil is officially asking for a waiver," the Itamaraty source told AGENCIA ESTADO. Thereafter, the source went on, "the request will be included in the council's agenda."

Consultations — On 24 January, the Brazilian Government informed the WTO about its plans to ask for a waiver. The request was not formalized because it could have been rejected on the grounds that no previous consultation was made with the countries that consider the Provisional Measure a "violation" of international trade rules.

Since then, Brazilian diplomats made several bilateral consultations in Geneva, Washington and other capitals, in an effort to convince Brazilian commercial partners to accept the request for a waiver of the clauses that forbid fiscal incentives and special treatment to some productive sectors.

Another member of the Brazilian delegation in Geneva told AGENCIA ESTADO over the phone that the United States, Mexico, Canada, Korea, Japan, and the European Union are still making domestic inquiries to see whether they will accept the waiver. "At the bilateral meetings we explained the objectives of the Provisional Measure, in order to clear any doubts about it," the source added. Brazil hopes to receive a positive signal from those countries before 19 March.

Brazil: Editorial Says Sarney 'Second Man' in Country

PY1303133696 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Mar 96 Section 1 p 2

[Editorial: "Sarney and Magic"]

[FBIS Translated Text] Brazilian politics, including former President Jose Sarney, seem to be a story of magic realism in which Latin American writers specialized in the seventies and eighties.

Logic and conventional wisdom would indicate that the opposition to the Fernando Henrique Cardoso administration should have been commanded by either Luiz Inacio Lula da Silva and or Leonel Brizola, contenders of Cardoso whom he defeated in the last elections.

But Lula and Brizola plunged in nearly total ostracism while Sarney emerged as opposition leader even though he belongs — to stress this paradox — to a party (the PMDB [Brazilian Democratic Movement Party]) that theoretically is part of the government support base in Congress.

As if it were not enough, it must be recalled that Jose Sarney left Planalto Palace with his popularity reduced to debris mainly because the inflation rate at the end of his mandate reached 80 percent per month.

Attacking Sarney was then a guarantee to success. To the point that the one who attacked him most during the 1989 presidential campaign (Fernando Collor de Mello) was the one who won the elections.

Nowadays, polls show that Sarney has recovered a lot of the popularity he did not have at the end of his administration. To reinforce the fantastic realism of this story, he recovered it without having done anything, except vindicate the Cruzado Plan. In theory, the Real Plan should have been enough to annul Sarney's recovered prestige. Twenty months after its implementation, the Real enjoys popular support which, if logic prevails, would erase the memory of Sarney's short-lived Cruzado Plan before its resounding failure.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Such is not the case, however. Sarney is nowadays clearly the second man in the country with a power that sometimes resembles that once held by Ulysses Guimaraes [former PMDB leader] when Sarney was president.

Only the last chapters of this story which lack coordination between logic and reality remain to be written. With this background, not even Gabriel Garcia Marquez would dare guess how the final chapters will turn out.

Brazil: Mercosur Trade Integration Difficulties Viewed

PY1303185096 Sao Paulo GAZETA MERCANTIL in Portuguese 9 Mar 96 p A8

[Report by Isabel Nogueira Batista]

[FBIS Translated Text] A trip covering the 2,400-km distance between Sao Paulo and Buenos Aires shows that Mercosur [Common Market of the South] is still far from integration. Trade between Mercosur countries has been hindered by the customs bureaucracy and by the precarious highway conditions for transportation of products and merchandise. The trip, which lasted six days, could have been made in half that time. This is the result of an investigation made by Vantine and Associates, a consultants' firm.

A lot has to be made in order to make Mercosur something real. The results of the investigation were submitted to the second congress of the European Article Numbering (EAN) Brazil — the organization that is responsible for coding products and for commercial automation — which ended on 8 March.

The investigation revealed that the highways of the region are poorly maintained and have insufficient highway signs. There are long single-lane stretches hindering traffic. Furthermore, the documents for cargo transportation are checked before crossing the border and then rechecked by the officials of the other country.

The investigation, which began in October, included a trip accompanying two trucks going from Sao Paulo to Buenos Aires, with the objective of detecting the obstacles in the transportation of merchandise from Brazil to Argentina. Jose Geraldo Vantine, the firm's director general and the person who was responsible for the investigation, said: "I thought I would find a better paved highway."

In his opinion, trade between Mercosur countries must be made through highways. "River navigation is not feasible in the short term," he said. The lack of ports with capacity to operate with international shipments calls for investments that are far larger than the investment needed for the highway network.

Despite the fact that the cost of railway transportation is 10 percent of the cost of highway transportation, the use of railways is unfeasible because of the current obsolete condition of lines and carriages, and the different gauges (railroad width) adopted by Mercosur members. "Investing in railway transportation is deceitful," Vantine said.

Customs Barriers

The investigation also disclosed the lack of uniformity in the customs legislation of Mercosur countries. Monitors at the borders work inefficiently and slowly, unnecessarily retaining shipments. Monitoring calls for checking more than one document, a task that is done by several organs in limited operating hours.

The foreign trade systems of Mercosur countries should be integrated. The Brazilian Siscomex [Computerized Exports System] and its Argentine equivalent —the Maria — do not exchange information between each other. Vantine believes that all existing customs barriers can be resolved in the short term. He believes that border checkpoints will be able to operate with electronic invoices and bills in a couple of years.

The 2,400-km Sao Paulo-Buenos Aires route, which crosses the border from Uruguaiana to Paso de los Libres, could have been covered in three days. In Uruguaiana, the trip had to be halted for two days. The documents of the shipment had to be rechecked. They went through several organs, like the federal revenue department, the Agriculture Ministry, and the Banco do Brasil (for payment of fees).

Before crossing the border, however, it was necessary to stop at several checkpoints. In Paso de los Libres, Argentine officials once again checked the documents. Jose Roberto Ghirotti, project manager of Vantine and Associates, who accompanied the trip of two trucks, said the retention of cargo on the border is worse when the shipment has perishable products.

In such cases, checking is even more rigid and slower. All products of animal or plant origin must undergo laboratory sanitation tests. In many cases, samples are sent to Porto Alegre or Caxias do Sul, because the small laboratory in Uruguaiana cannot handle all analyses. According to Ghirotti, many of the tests can be made in the place in which the merchandises are shipped. He believes that the tests can be dispensed with in the case of food items shipped in their natural form.

Another serious problem is the very bad condition of highways. In Brazil, highway control is very infrequent at night. On the Argentine side, the highway to Buenos Aires is a narrow, single-lane highway, and the sides

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the road are not paved. "When crossing each other, trucks almost touched their driving mirrors," Ghirotti said. In Argentina, he found out that crane service does not operate. One of the trucks had to get out of the highway to prevent a collision with a vehicle that was trying to enter the highway. The truck went to the side of the road and ended up stuck in the mud.

Brazil: PMDB Deputy Mabel Named Government Deputy Leader

PY1203012996 Sao Paulo AGENCIA ESTADO in Portuguese 0023 GMT 9 Mar 96

[FBIS Translated Text] Brasilia, 8 Mar (AE) — President Fernando Henrique Cardoso today appointed Deputy Sandro Mabel (PMDB- GO) [Brazilian Democratic Movement Party-Goias] as government deputy leader in the Chamber of Deputies. After conducting a survey in his state indicating that Goias residents are inclined to approve the reform, Mabel earned the confidence of Federal Administration Secretary Luiz Carlos Bresser Pereira. Mabel also scored another victory by engineering the en masse vote of the Goias bloc for the social security reform proposal submitted by Deputy Euler Ribeiro (PMDB-AM) [PMDB-Amazonas]. Mabel went to China last December at the invitation of President Cardoso. Following Mabel's appointment, the administration now has one leader and three deputy leaders in the Chamber of Deputies.

Brazil: Resolution Restricts Use of Subscription TV

PY1203192596 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Mar 96 Section 2 p 8

[Article by Elvira Lobato]

[FBIS Translated Excerpt] A Communications Ministry resolution, which has been disseminated for public consultation, is upsetting the subscription TV market.

The resolution proposes that each city has only one enterprise to exploit the subscription television service transmitted by microwave (MMDS).

Frequencies for this service are limited to 31 channels and, so far, the government guidelines establish that each city should have at least two enterprises competing for the service: one exploiting 16 channels and the other 15.

So far, there are only 12 concessions for subscription television by microwave in the country, which were granted by previous administrations. As of April, tenders will be held for the sale of this type of concession countrywide.

In addition to subscription television via microwave, there are subscription television service via cable and via satellite using parabolic antennae.

These three types of system total nearly 1.1 million subscribers countrywide, but the market's potential is figured at 11 million.

The TVA enterprise is the only one with concession to exploit the MMDS in Rio de Janeiro, Brasilia, Goiania, and Belem.

It has 16 channels in the first two cities, and eight in Goiania and Belem. TVA executives believe that if the resolution is approved, their company will obtain the other channels.

In Sao Paulo, Porto Alegre, and Curitiba, there are two concessions for each city. In the capital of Sao Paulo, the Abril Group has 16 channels and concession for the other 15 that belong to an enterprise named TV Ipe.

In practice, however, the Abril Group is the only enterprise exploiting the service in the Sao Paulo capital because TV Ipe has rented its channels to the Abril group, which already has a contract promising to purchase TV Ipe. [passage omitted]

Brazil: Poll Shows Optimism, Confidence in President

PY1303162896 Rio de Janeiro O GLOBO in Portuguese 10 Mar 96 p 3

[All figures as published]

[FBIS Translated Text] Sao Paulo — Despite being afraid of losing their jobs, Brazilians are optimistic about the future; they believe President Fernando Henrique Cardoso is positively governing the country; and they expect 1996 to be a good year. These are the results of an IBOPE [Brazilian Public Opinion and Statistics Institute] poll that was ordered by the National Confederation of Industry and that was made available to O GLOBO. According to the poll, for which 2,000 people were polled between 7 and 13 February, even though 67 percent of those polled are afraid of losing their jobs (38 percent very much afraid and 23 percent slightly afraid), 58 percent believe that 1996 will be a good year, while 14 percent believe it will be a very good year. Only 17 percent believe 1996 will be a bad or very bad year.

As for the president's performance, 8 percent believe it is optimum, 33 percent believe it is good, 39 percent believe it is fair, 7 percent believe it is bad, and 10 percent believe it is very bad. Positive evaluations amount to 41 percent, while negative evaluations amount to 17

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

percent, giving a positive balance of 24 percent. In August 1993, Itamar Franco had a negative balance of 19 percent.

Concerning the Real Plan, 48 percent of those polled believe it will be successful, and 36 percent believe it will fail. Men (43 percent) are more confident than women (31 percent), older people (43 percent) are more confident than young people (32 percent), and those with poorer education (45 percent) are more confident than educated people (29 percent).

The poll showed that a large sector of the population (68 percent) does not know what the constitutional reform is. Among those having only elementary school education, this percentage jumps to 78 percent. Despite this, 69 percent oppose the end or reduction of the 40 percent fine on the FGTS [Severance Pay Fund], while 68 percent oppose changing the Christmas bonus for other benefits. The majority (55 percent) is against 15-day vacations, 55 percent oppose 30-day vacations without an additional period, 54 percent oppose the reduction of work hours and salaries, 53 percent oppose the end of overtime, and 46 percent oppose the end or the reduction of social security contributions.

Concerning the possibility of maintaining the minimum wage value as a method for preserving jobs, 72 percent prefer to keep it as is. This opinion was shared by all salary brackets, especially among those earning from 1 to 10 minimum wages.

As for the preference for foreign products, a majority prefer them, but 21 percent fear that enterprises may go bankrupt, and 27 percent believe that they will lose their jobs. In the comparison of products, imported products were preferred by 39 percent of those polled among higher salary brackets, and by only 8 percent of those with poorer education, while 43 percent of those with elementary school education and 18 percent of those with higher education believe that Brazilian products are better.

Brazil: PMDB Leader Named New Social Security Rapporteur

PY1203012896 Sao Paulo AGENCIA ESTADO in Portuguese 2302 GMT 10 Mar 96

[Report by Ana Cristina Rosa]

[FBIS Translated Text] Sao Paulo, 10 Mar (AE) — Deputy Michel Temer (PMDB-SP) [Brazilian Democratic Movement Party-Sao Paulo], the rapporteur of the new social security amendment proposal, today stated that he plans to conclude this week an outline of the reform proposal the administration will submit to Congress. The objective is to formulate as soon as possible technical arguments that would set the framework for political negotiations designed to implement the reform. Temer said: "It would not take us a week to draft the proposal." He added: "The most important thing, however, is to secure political support for the proposal."

Temer, who is the PMDB bloc leader in the Chamber of Deputies, concedes that it will be difficult for the administration to secure the support of the blocs for a new social security reform bill. The PMDB bloc had the largest number of dissidents voting against the administration to defeat the Euler Ribeiro (PMDB-AM) [PMDB-Amazonas] proposal. Temer said: "It will be difficult to obtain the approval of the amendment, but we are going to approach the issue from a technical standpoint to put emotions to rest." He added: "We cannot reach the Chamber floor without the bill having the endorsement of most parties."

According to Temer, the administration plans to continue to hold negotiations with Vicente Paulo da Silva, aka Vicentinho, who is president of the Sole Workers Center (CUT). Temer said: "He (Vicentinho) is the leader of the country's most representative union organization and, thus, he could not be excluded from the social security talks."

Cautious, Temer declined to comment on the content of the amendments he is planning to include in the new reform proposal. He said: "I picked up the material this weekend, and I have not yet thoroughly reviewed it." He added: "I do not want to act hastily, to avoid releasing mistaken information, because this type of behavior had already caused a great deal of problems in the past." He noted, however, that he is going to use, as much as possible, the reform proposal drafted by Deputy Eduardo Jorge (PT-SP) [Workers Party-Sao Paulo].

The new amendment, which will be called the super amendment, will also be based on the administration's original proposal. To determine which amendments can be proposed, Temer and the bloc leaders will have to compare the sub-amendments submitted with the articles of the original proposal. More than 70 amendments have been added to the original proposal.

Brazil: Commentator Views Government's Errors

PY1303152596 Rio de Janeiro O GLOBO in Portuguese 11 Mar 96 p 4

[Article by Franklin Martins: "The Seven Errors Game"]

[FBIS Translated Text] By choosing PMDB [Brazilian Democratic Movement Party] leader Michel Temer as the new rapporteur of the social security reform, President Fernando Henrique Cardoso acted quickly to put out the fire which erupted on 6 March and which

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

crushed the social security bill proposed by Deputy Euler Ribeiro and humiliated the administration in the Senate by creating the CPI [Congressional Investigating Committee] on banks. In the next few weeks we will see whether the action of the administration's firemen has been successful or not.

From the standpoint of the strategy outlined by Planalto Palace, Temer is the fireman; and the alliance between Senate President Jose Sarney and PMDB President Paes de Andrade, the fire to be put out. At stake in this dispute is control of the PMDB and its position regarding the administration. Cardoso's advisers blame the Sarney-Paes alliance for the administration's growing problems with the PMDB.

In the case of the CPI on banks, PMDB senators accounted for 40 percent of those who signed for the petition to create it. In the case of the vote on the social security bill, 38 PMDB deputies voted against the administration, which came 14 votes short of passing it.

Thus far, Planalto Palace has refrained from interfering with the PMDB's internal dispute. Temer's election as the new rapporteur reflects a change of position. But, would this shift in its relations with the PMDB enable the administration to overcome its problems with Congress?

In the short term, it probably would. To a certain extent, a strong position should force diehard opponents to sit and talk. Yet, the administration would do better if it did not just engage in an arm-wrestling match. The two setbacks it experienced in Congress have disclosed important errors committed by the administration itself. If these errors are not dealt with, they would come up again sooner or later and could cause even more devastating damage.

The first error is the current composition of the cabinet. A government team is not a club of friends, but a convergence of political forces aimed at achieving certain objectives. In this case, one objective is that of approving the constitutional amendments that would pave the way for a reform of the state. Because these amendments require the vote of three-fifths of the Congress, Cardoso's cabinet should consist of parties and groups that would be capable of ensuring the favorable vote of 60 percent of the lawmakers. Yet, the PPB [Brazilian Progressive Party], which accounts for nearly one-fifth of the deputies, continues to anxiously wait for a cabinet post, and a large share of PMDB members do not feel represented by the two PMDB ministers appointed from the Rio Grande do Sul PMDB branch.

The second error of the administration is that of not having established a clear pattern of relations with Congress. One day, the administration would ask the congressmen for their votes; on the next day, it would deal blows to them. One day Cardoso would express his confidence that Congress will not fail in keeping the highest national interests in mind; the next day, he would charge that an overwhelming majority of congressmen are driven by corporatist interests and political patronage. It seems that the president just speaks his mind and is not acting as a commander who is concerned, around the clock, about keeping morale among his troops high.

The third error is closely linked to the second one. The administration has been courting unions and NGO's, while slighting the Congress. If luring the CUT [Sole Workers Center] and other union organizations into negotiating had been a masterful move by Cardoso, to get out of his way to pamper [CUT leader] Vicentinho was a blunder. It provoked jealousy among deputies. At the time of pressing the electronic buttons to cast their vote, some congressmen did not forgive the administration for flirting with an outsider and voted against it. In the meantime, the CUT leader was dancing with antireform protesters outside Congress. What a two-timer....

The fourth error was to upset the political agenda with the presidential reelection issue, which divides the pro-government coalition and cannot be decided at this time. The PSDB [Brazilian Social Democracy Party] insistence on the issue has worked the miracle of creating a common ground of understanding for the left, former President Jose Sarney, former President Itamar Franco, and Sao Paulo Mayor Paulo Maluf. If Cardoso obtains the approval of the reforms, his reelection may be included on the agenda. If his friends continue to talk about reelection, Cardoso may not even be able to approve the reforms that are so essential for his administration.

The fifth error was to neglect his allies. At least three ranking members of the pro-government coalition (Sarney, Antonio Carlos Magalhaes, and Maluf), not to mention Forrest Gump [reference to Itamar Franco], who crossed the ocean and is still running through Portugal, have complained about the president having stepped on their toes. As soon as they have a chance, they will retaliate, just as Sarney did now. It always works that way: He who deals a blow forgets about it; he who sustains a blow, remembers it.

The sixth error of the administration was not to have clearly outlined, from the outset, the objectives of the social security reform and not to have promoted a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

debate of ideas within society. Obviously, an issue of this magnitude, which will have an impact of the lives of tens of millions of people, can be pushed through Congress only with the support of the public. The public, however, still remains confused over the issue.

Finally, the seventh error is, paraphrasing Saddam Husayn, the mother of all errors: the administration's arrogance. The task of reforming the state with the continuing support of three-fifths of each house of Congress requires an extremely high degree of patience, persistence, and persuasiveness. All this requires humbleness in dealing with difficulties. To underestimate problems is the worst thing a government can do. Jokes and trite phrases could have been perfectly left for another occasion.

Brazil: Parties Refuse To Designate Members for Bank CPI

PY1203205296 Sao Paulo AGENCIA ESTADO in Portuguese 1155 GMT 12 Mar 96

[FBIS Translated Text] Brasilia, 12 Mar (AE) — During the "Good Morning, Brazil" program aired by TV GLOBO, Jorge Bornhausen, president of the PFL [Liberal Front Party], this morning said his party will not designate members for the Congressional Investigative Committee (CPI) on banks. He said it was not the leaders of the government parties, but "isolated members," who signed the request for opening a CPI.

Bornhausen said that by refusing to designate members to the CPI, the PFL leaders are striving to defend the interest of the nation and to preserve economic stability. He added that the PTB [Brazilian Labor Party] and the PSDB [Brazilian Social Democracy Party] will not designate members to the CPI either, noting that it will be thus impossible to install the committee.

Brazil: Liberal Front Party President Reelected

PY1203190996 Sao Paulo AGENCIA ESTADO in Portuguese 1358 GMT 12 Mar 96

[Report by Joao Domingos]

[FBIS Translated Text] Brasilia, 12 Mar (AE) — The PFL [Liberal Front Party] decided to keep Jorge Bornhausen as its president, even if he is designated Brazilian Ambassador to Portugal. This information has been released by Inocencio de Oliveira, the PFL leader in the Chamber of Deputies.

The party made the decision on the evening of 11 March during a dinner at the house of Acting President Marco Maciel. The only condition imposed on Bornhausen is that even if he is designated to the Brazilian Embassy in Portugal, he should come to Brazil once a month to meet with the party executive board.

Brazil: Rapporteur Presents Retirement System Proposals

PY1303032696 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Mar 96

[FBIS Translated Text] The new proposal to reform the retirement system will be voted on in the Chamber of Deputies in April. The rapporteur of the social security reform, Deputy Michel Temer, today said that he will make few changes to the current rules of the social security system. The order of the day for the government leaders in congress is haste. This is why, one day after becoming rapporteur of the social security reform, Deputy Michel Temer already presented his main proposals to reform the social security system.

His proposals include the following: The rules for private sector workers will be changed in two years' time. Men will retire only after 35 years of contributing, and women after 30 years. Nothing will change for the time being for military and civilian public servants. Special retirement plans for primary and high school teachers will not be modified. Special retirements for the current congressmen serving their second mandate will be maintained.

To tell the truth, the bill that will be presented by Deputy Michel Temer hardly maintains the main points of the original bill presented by the executive branch. However, the most important thing now for the government leaders is not to approve the ideal reform but the possible one. For the government, the essential issue is to demonstrate, especially to foreign investors, that Congress will continue with the constitutioanl reforms.

Brazil: Deputies Set Vote on Patent Bill for 13 Mar

PY1303032296 Sao Paulo AGENCIA ESTADO in Portuguese 2325 GMT 12 Mar 96

[Report by Rosa Costa]

[FBIS Translated Text] Brasilia, 12 Mar (AE) — The government leaders in the Chamber of Deputies today secured the majority required to set the vote on the new patent bill for tomorrow night. A motion by the Workers Party to withdraw the bill from the agenda was defeated by a vote of 262 to 82, with 10 abstentions.

Deputies are regarding the speed with which the Chamber is going to vote on the patent bill as a gesture designed to show the adminstration that the rebellion against it, which provoked the rejection of the social security reform, is over and that the deputies are now seeking a rapprochement with President Cardoso. The

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

fact is that the approval of the law that will govern industrial property has now acquired greater significance because it would coincide with President Cardoso's visit to Japan to attract new investments.

Deputy Inocencio Oliveira (PE) [Pernambuco], leader of the PFL [Liberal Front Party] bloc, believes that the prposal recommended by rapporteur Ney Lopes (PFL-RN) [Rio Grande do Norte], which is endorsed by the administration, will be easily approved. Oliveira said: "All political factions agree on this." He added: "It is a very important law because it will enable Brazil to join the new international context." Lopes maintained the wording of the bill approved 13 days ago by the Senate, which recognizes the pipeline mechanism, allowing for the patenting of products that have not yet been marketed and for that of microorganisms created in laboratories.

Brazil: Governor Says Support for CPI Irresponsible

PY1303162496 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Mar 96

[FBIS Translated Text] Ceara Governor Tasso Jereissati has declared in Japan that the Senate president has acted irresponsibly when he supported the establishment of a Congessional Investigating Committee, CPI, for the financial system.

Jereissati, who is a member of President Fernando Henrique Cardoso's entourage, today said in Tokyo that Senate President Jose Sarney has acted irresponsibly when he supported the establishment of a CPI to look into the Central Bank relations with the financial institutions.

[Begin Jereissati recording] (?Behind this movement) are the intentions of some people who consider themselves candidates for the Presidency of the Republic and who believe that, by trying to upset the country's good development, they create better conditions for their election. [end recording]

Tasso Jereissati has pointed out that these comments express his personal position regarding the issue. He added that the government has the obligation of doing its best to prevent the CPI from being installed. According to him, this does not mean that the executive branch should fail to investigate the reasons that led to the crises being experienced by financial institutions such as the former Nacional Bank.

Chile

Chile: PS, PPD Senators Reject Helms-Burton Amendment Bill

PY1303234496 Santiago EL MERCURIO in Spanish 13 Mar 96 p C2

[FBIS Translated Excerpt] Socialist Party senators yesterday expressed concern to Chilean Foreign Minister Jose Miguel Insulza over the implementation of the Helms-Burton Amendment Bill which strengthens the embargo on Cuba, because "it does not contribute with the process of change and transformations in the island."

Senators Ricardo Nunez, Carlos Ominami, Camilo Escalona, and Jaime Gazmuri also asked the foreign minister to adopt a more active role in efforts to stop the implementation of economic sanctions on foreign investors in the island.

They added that this bill recalls the worst moments of the U.S. interventionist policy with respect to Latin American countries. [passage omitted]

PPD [Party for Democracy] Secretary General Patricio Hales termed the Helms-Burton law "a flagrant violation of international law and the rules of the World Trade Organization (WTO)."

This party expressed absolute opposition to any attempt to extra- territorially enforce laws on a state, because this represents a violation of the sovereignty of third countries and undermines the basic rules that prevail in relations among states. [passage omitted]

Chile: Government Acknowledges Money Laundering

PY1303163196 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 13 Mar 96

[FBIS Translated Text] The government has acknowledged that there is money laundering in Chile but that the country cannot be labeled as a center for that illegal activity.

[Begin recording] [Unidentified reporter] Our country was labeled as a center for money laundering of drug-trafficking money by the U.S. State Department annual drug report. The document expresses concern over the growing importance of Chile in that activity due to its proximity to the two main drug producing countries, Peru and Bolivia, and its growing economy. In this regard, the government says that the approved legislation is not perfect.

[Interior Ministry Under Secretary Belisario Velasco] There is and there has been money laundering in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Chile. In other words, we cannot ignore reality. Money laundering was not even considered until the last five years as a crime. Nowadays, however, it is not only considered a crime but it is also punished.

[Reporter] Velasco said that the tools to fight drug trafficking already exist and that this fact has also been taken into consideration by the U.S. report.

[Velasco] Chile has become a leader: This sentence, which is included on page one of the U.S. report, should be emphasized because it is the most important aspect of the report.

[Reporter] Velasco said that the first charges filed for money laundering will allow corrections in the procedures and will make the law more effective. He also said no one can talk about figures, because no one knows the real amount of money laundering in Chile. [end recording]

Chile: Sustainability of Economic Model Viewed

96SM0124A Santiago EL MERCURIO in Spanish 23 Feb 96 pp A1, A16

[Article by Gabriel Vergara]

[FBIS Translated Text] Harrison Ford will not pursue argumentative androids in heavens crammed with flying saucers, nor is it likely that television will offer him a new future in Martian colonies in an attempt to escape from the overpopulated world of tomorrow.

It may not be like in "Blade Runner," but something will indeed have changed. The planet may be a bit warmer and Chile in particular somewhat more crowded: At the current rate, our territory will be occupied by some 19 million inhabitants, and if the current proportion remains the same, Santiago will have a population of 7.6 million.

If the annual growth rate of 7 percent continues for another 25 years, the gross domestic product will exceed $300 billion by the year 2020, while per capita income will be around $16,000, catching up with Spain's current figure. Chile would be a developed country.

It is difficult to imagine the magnitude of the changes that will occur, particularly in one of the areas critical to achievement of that goal: natural resources and the environment. This is so because the national economy is based on an export model in which 87.1 percent of all products are derived from natural resources, processed and unprocessed.

This basic premise began to rear its head at the 1992 Earth Summit Conference held in Rio de Janeiro. At the time, all the participating countries demonstrated their support for sustainable development, i.e., growth making it possible to meet current needs without compromising the very basis of that development or the prosperity of future generations. Putting it bluntly, refraining from eating the goose that laid the golden egg, making sure that today's boom does not mean tomorrow's bust.

Rethinking Everything

Achieving a sustainable economic model is the key to achieving our country's goals. There are those who doubt it is possible under the current circumstances.

Economist Marcel Claude, former head of the Central Bank's Environmental Accounts Unit, is one of them. Claude says there is no guarantee that "in medium-range terms, the country will grow as predicted. If one looks at the rates at which certain resources are being worked, one realizes that many bottlenecks are going to occur, making that goal difficult to attain."

Claude explains that this is so because of the shortsighted way in which the productive use of natural resources is viewed.

For the economist, a different concept of capital must be brought into play. For example, people must realize that elements such as water, biodiversity, and forest resources are as important as or more important than the port infrastructure or highways.

He goes on to state that investments must be viewed from the same angle so that, just as the financing of extractive activities is programmed, sums must be allocated to bolster declining sectors. "Reforestation must not be viewed as an expense, but rather, as a capital investment."

The goal is to ensure that surpluses from certain activities will be reinvested so as to generate productive ventures that will replace those that may eventually be exhausted. Ghost towns in the greater north are an example of the absence of such a policy: When saltpeter ran out, there was simply no other source of sustenance and abandonment was the natural consequence.

The goal: channeling the model toward a means of exploitation aimed at optimum use, i.e., where maximum income can be obtained on the condition that today, tomorrow, and forevermore, sustainable production will be guaranteed.

Signs of Overuse

For Sara Larrain, coordinator of the National Ecological Action Network (RENACE), many sectors of the economy are exhibiting major signs of overuse, which she believes has created an environmental debt over the course of the past 15 years, a debt expressed in polluted

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

areas that in the long run "may turn out to be very bad business."

In particular, she is concerned by the situation of the native forest, which became the object of an injunction following the Central Bank study that resulted in a bitter controversy a few months ago and, in the end, Claude's departure.

"We must begin by recognizing the situation in which we find ourselves, a situation that is dramatic in terms of depletion and pollution. We can then proceed to make the necessary reforms so as to move forward with a kind of management that will serve both current and future generations," the environmentalist said.

Larrain observes a disturbing trend. In the long run, the neglect of resources may generate tension between different sectors of production, for example, between tourism and polluting mining activities.

Large-Scale Problem

Very few realize precisely what, in absolute terms, 25 years of growth at the predicted annual rate of 7 percent means. Osvaldo Sunkel, director of the University of Chile's Sustainable Development Program, warns that achieving such results would mean increasing export levels.

If exports are to total $15-16 billion, then by the year 2020 they would have to exceed $95 billion annually. "The question is how to do that. Can we increase fishing, mining, fruit and vegetable, and forest exports six times over?" Sunkel asks.

Last month, the book "The Environmental Sustainability of Chilean Economic Growth" was released. In it, experts study the problem from various angles. Sunkel served as editor. Its conclusion: "There are serious limitations on all sides. The source of such great growth in exports would have to be an increase in the added value" of available resources.

This means industrial and manufacturing development based on natural resources, the second export phase about which people have been talking since the early 1990's.

Claude resorts to a metaphor to explain his fears. The country is like a new car with the engine in perfect condition, ready to venture out on a great highway. Everything is fine, except that it may run out of gas before it reaches its destination!

Possibilities

Some view the issue with a different philosophy. For Guillermo Geisse, president of the Environmental Research and Planning Center (CIPMA), the environmental issue does not consist solely of problems, but of development opportunities as well. In that sense, he does not necessarily view it as a bottleneck obstructing growth.

While recognizing that sustained expansion in today's rates places "extraordinary pressure on our resources," he says that this is so because the economic model is incomplete and does not incorporate the environmental aspect.

According to Geisse, the very commercial opening helps create conditions forcing the country to pay more attention to preservation of the environment. This is true because of greater access to technologies and methods of environmental management, which now emphasize making all phases of the process clean rather than just the finished product.

In addition, the countries that buy Chilean exports make strong environmental demands. "To the extent that our products go to developed areas, they require us to meet far stricter standards than our own. In some cases, this forces exporters to raise their standards above national norms."

He maintains that demands are rising rapidly on all levels for better quality of life and sustainable development. "The policies, institutionality, and environmental instruments which we have an urgent need to develop must take both into account."

Geisse also notes that debate on the subject takes place at different times in different countries. Concern over the issue began in developed countries just 10 years ago, while economies like the Chilean must face it at the very time that they seek to gain access to the "First World" working with a level of income many times lower.

Daily Dimension

Thinking that the expression "sustainability" refers exclusively to mining deposits and leafy forests is an error. Rather, it means "persons" first and foremost.

Manuel Winograd, from the international organization Group for the Analysis of Ecological Systems, states in one publication that "in a sustainable society, all social sectors must benefit from development. A structure characterized by increasing inequality could end up being sustainable in purely biophysical terms, but not in socioeconomic terms."

The same group identifies 10 key issues connected with sustainability: erosion and the loss of soil fertility; expansion of the desert, deforestation, and land use; the working and use of forests; the degradation of basins; the decline of marine and coastal resources; air

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and water pollution; the loss of genetic resources and ecosystems; quality of life in human settlements; rural migration; and ownership of the land. This for starters.

According to Sunkel, life will change drastically for all Chileans. By the year 2000, there will be a million automobiles; 2 million by the year 2010. "Where will we put them?" he asks.

Cities will have to meet an increasing demand for water. By the year 1995, it is estimated that consumption in greater Santiago totaled 399.9 million cubic meters, a figure projected to rise to nearly 586.9 million cubic meters by the year 2015.

Six times more buildings and factories will be built than are going up today, all in the same territory. The scenario here is one of potential congestion. "This means that we have to worry about organization of the territory," Sunkel says.

In addition, we shall have to pay heed to three resources that are critical for the future: water, soil, and energy, the basis on which the economy operates. We know that substantially greater demands will be placed on them. To come up with efficient ways of using these resources without depleting them is only one of the many challenges confronting us.

Chile: Parties Plan for CUT Elections

96SM0124B Santiago LA NACION in Spanish 16 Feb 96 p 11

[Article by Ximena Galleguillos]

[FBIS Translated Text] The commitment which the CUT [United Workers Confederation] made to the first democratic government caused it to lose an admired leadership role in Latin America. Indeed, the confederation headed by Manuel Bustos postponed social demands at the very time when everything seemed to be at stake.

Figures on unionization fell drastically. From the 32 percent recorded by the CUT in 1973, the figure plunged to the current 12 percent: 500,000 out of a total of 2 million workers. The biggest drop was in the farm workers movement. The emergence of over 500,000 seasonal workers with absolutely no protection whatsoever, and most in a state of extreme poverty, nearly resulted in the extinction of the trade union movement and the emergence of other forms of organization such as cooperatives and local boards.

Given this scenario, heading up the CUT has not been easy. Relations with the government are not good and officials have been confronted with campaigns accusing them of being "scabs, sellouts, and corrupt." The Coalition [of Parties for Democracy] [Concertacion] itself admits that the CUT has not engaged in democratic trade union action.

Political parties are drafting their own proposals for CUT elections to be held on 12 and 13 April. It has not yet been decided what form election alliances will take, but the Coalition will try to obtain the largest number of council members out of the 45 up for election.

What is known is that the Socialists, the leading political force in the CUT, are planning to hold a national trade union congress in March. Its officials defend trade union independence, arguing that the union is not a sounding board for political parties.

They admit that they still do not know whether Arturo Martinez (PS [Socialist Party]), currently first vice president, will run for the presidency, for which post other names such as Raymundo Espinoza and Carlos Vasquez are being bandied about.

In the Communist Party [PC], the presidential slot will be filled by Manuel Ahumada, currently third vice president. The Communists have put together a document now in the final stage of drafting in which they make their proposals for the new CUT term. The text will be made public on 24 February. Among other things, it proposes universal elections rather than the weighted voting now used to elect officials. Strong criticism is also made of CUT officials, who are accused of "abandoning fundamental principles."

The PC will go into the election very well represented, the fruit of its gains in the College of Teachers and Health guild. Coalition experts predict that it will obviously increase its 18-percent voting rate, but will not repeat the sweep it enjoyed of the teachers union.

Weighted voting makes it possible to make quite accurate estimates of election projections for the CUT board: 15 or 16 council members from the PS; 13 or 14 from the DC [Christian Democrats]; 10 or 12 from the PC. They are followed by the Radicals, the PPD [Party for Democracy], and the odd council member from the right.

The PPD, whose national secretary for social and labor affairs is Domingo Namuncura, has waged an intensive effort of late and has its greatest following among workers in the public sector. This structure has been a continuing source of conflict for the party president, Jorge Schaulsohn, based on his liberal position on social issues and labor rights. The PPD also proposes the direct election of the CUT board. This proposal is not backed by Christian Democrats because of its lack of resources and the possible politicization of unions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Neither the Christian Democrats nor the DC sectors of the government supported the idea of Maria Rozas running for the CUT presidency. They have mixed feelings about having a Christian Democrat head an organization fighting to recover from erosion and disarray.

The DC thought the trade union movement should have a lower profile and that it should not run candidates for the presidency. They envisioned Maria Rozas as mayor, removed from the CUT. Despite the fact that her candidacy was presented in the DC as "low profile," in the long run it turned into a validation as the only female union leader enjoying wide recognition and respect among political parties and CUT officials themselves.

This candidacy will force the DC to get involved, to encourage its members, and not to run the risk of losing votes in an election as important as that of the CUT, coming, as it does, right before the municipal election. It would be very costly to the party to have a repeat of the scenario in the College of Professors, where it was Maria Rozas herself who warned her party of the debacle ahead, on which occasion she was labeled as an "alarmist," one DC official recalls.

Neo-liberal Attraction

Union analysts believe that social demands cannot be postponed in 1996. They anticipate a series of conflicts in specific areas, beginning in the sector of cottage fishing.

Another factor that must be taken into account, they say, is the attraction exercised by the neoliberal model on middle and lower class workers, who are going heavily into debt because of consumerism.

The enthusiasm over this "magnificent" country has caused a decline in solidarity, the backbone of any trade union movement. Indebtedness prevents workers from committing themselves, as a result of which they do not unionize, bargain separately, and do not risk striking because of the resulting loss of days not worked.

Whence the need for a strong trade union to provide an organized response for workers.

Colombia

Colombia: Possibility of Samper's Exoneration Viewed

96SM0142A Santa Fe de Bogota SEMANA in Spanish 5 Mar 96 pp 36-38

[FBIS Translated Text] The president may not be faring very well in the business world, but he definitely is in the political world. Not two weeks have passed since the prosecutor general filed criminal charges against the chief executive, and the sentiment in Congress is already more one of solidarity than of rejection.

The Chamber of Representatives will be the scene for what Colombians call the "trial" of the president, which actually will be no such thing. A president is put on trial when an accusation is passed by the Chamber and the Senate and reaches the Supreme Court of Justice. That will not happen in the case of Ernesto Samper. Both he and Congress have arrived at a kind of gentlemen's agreement to have the matter resolved in a plenary session of the Chamber of Representatives.

The Accusation Committee, chaired by Heine Mogollon, will make no further attempt to obtain a writ of prohibition, because that would be politically unacceptable. Nor is the case expected to reach the Senate, however. The two sides hope to stage a great political debate on live television before the full Chamber of Representatives that will result in the termination of the investigation with the following words: "Based on what has been investigated, the present investigation is ordered terminated."

They will very likely achieve that result. Of the 165 representatives in the Chamber, no more than 20 are in a mood to fight against Ernesto Samper Pizano. Another 20 or so are lukewarm on the idea. Most of the remaining representatives, more than 100 in number, privately express their solidarity with him. Nothing they have read in the media strikes them as fatal. They are veterans of the world of politics, and they are not shocked or surprised that Gilberto Rodriguez could have been behind the whole thing. They think that is how this country works, and although the Liberal Party got carried away in the 1994 campaign, that is no reason to make the president's head roll. If anything is clear, it is that if his head were lopped off, Congress would be next, and they are certainly not willing to accept that. "If the president falls, he'll fall on top of us," a congressman told SEMANA.

The process has the following timeframe: The Accusation Committee has 60 days to present charges to the full Chamber of Deputies. The debate will not last more than a month after that. Of the four charges filed by the prosecutor general against the president, at least one will be eliminated by the Accusation Committee itself. The one most likely to be eliminated is that of illicit enrichment, which is the one weighing most heavily on the president's head, since it is the drug-related charge. The president's attorneys are already preparing the arguments to neutralize the illicit enrichment accusation, and they are very strong arguments.

First of all, they will say that this law was designed to combat narcoterrorism, and that it is a sudden departure

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to apply it outside that sphere, especially to the president of the republic. Secondly, they will invoke the fact that the president is not accused of receiving a single cent personally, but rather of supposedly enriching himself by "enhancing his status," which is an arbitrary interpretation that goes beyond the original definition of the crime. To illustrate how absurd this interpretation is, they will highlight the fact that illicit enrichment, interpreted that way, is a crime that can only be committed if the elections are won, not if they are lost. This means that if someone receives money from drug traffickers, it is not a crime until the day of the electoral victory, because without victory there is no enhancement of status.

If the above arguments prevail, the most serious charge against the president will be eliminated in the Committee, and in the plenary session only the crimes related to violating the legal limits and concealing the offense will be considered. The accusations that the regulations of the Electoral Council were violated are on firmer ground than the illicit enrichment charges, but even so, it is possible to defend against them. The central argument will be that the president did not sign the accounting books, that it was the administrative director of the campaign, Juan Manuel Abella, who did so; and that he was not the legal representative of the Modern Colombia Foundation, which was the nucleus of the campaign, but rather, Fernando Botero held that position.

Samper's responsibility would therefore come under Article 109 of the Constitution, which states: "(...) Parties, movements, and candidates shall provide a public accounting of the amount, origin, and disbursement of revenues."

The president's attorneys have gone back to the origins of that clause, and have established that the term "candidate" in that context refers to independents who do not run on the ticket of a party or movement. Therefore, the responsibility does not refer to all candidates. Those who do run on the ticket of a party or movement would not be personally responsible; their party or movement would be. This interpretation would not automatically be accepted by everyone, but it is true that in criminal law, the only person responsible is the one whose signature appears on the documents or the legal representative, unless other persons are shown to be abettors. Samper's attorneys will latch onto this feature of the law in the plenary session of the Chamber to get him out of the problem of exceeding limits.

Then the only charge left would be that of concealment. This can only apply when it has been established what crimes were concealed and that the concealer had knowledge that his subordinates had committed those crimes. The president's attorneys will try to show that these requirements are not met in the multiple charges of concealment that Fernando Botero has lodged. If they are not able to prove this, they will argue that it would be impossible to conceal facts about which a criminal investigation had already begun. Since the majority of the meetings mentioned by Botero took place after the Prosecutor General's Office opened the so-called 8,000 prosecution, it will be claimed that one can hardly cover up something that is already subject to prosecution.

That is the way things are going, and very few experts moderately familiar with the political class can envision the president not being absolved. While this is happening, Ernesto Samper and Interior Minister Horacio Serpa are laying on the perks in the Chamber of Representatives as never before. This generosity is not at all limited to the Accusation Committee; it extends to all representatives, particularly those in the Conservative bloc, which is being pampered even more than the ruling party. What is going on is so obvious that many senators are upset about the offices that have been taken away from them to sweeten the rewards given to the representatives.

"The trial" in the Chamber will be less public than many believe. Fernando Botero's and Santiago Medina's statements, which should be the centerpieces of the prosecution, will not be heard live. No one is willing to give them air time to endanger the president's credibility. Their testimony will be given privately before the Accusation Committee and read in public later, if necessary. But no one accusing the president will be given a microphone like the one "Nacho" Vives had against Carlos Lleras in 1968.

One thing everyone agrees on is the fact that there will be no Laureano Gomez in this affair. The Chamber of Representatives does not have any great moral powers or masters of oratory at this time. The representatives are not generally well known to the public, and there are no recognized leaders in the body. Therefore, Samper's accusers in the Chamber will end up being the few representatives who bet against the president and thus sacrificed perks of office. This includes personalities such as Pablo Victoria, Roy Barrera, Roberto Camacho, Ingrid Betancur, and Maria Paulina Espinosa. Some of them may have great merit, convictions, or principles individually; but collectively, pitted against Horacio Serpa, they may look like a tethered burro fighting a tiger.

All of the above does not mean that the trial of Ernesto Samper will be a farse. The writers of the Constitution, both the present one and its predecessor, expressly stated their desire to make it practically impossible to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

bring down a president. That was why they came up with the idea of giving the president's own political majorities the authority to be his judges. These forces can be marshalled or brought in line with all the spoils the central power has to offer. The decision was not made out of negligence or caprice on the part of the Constituent Assembly; rather, they were convinced that in a country as unstable as Colombia, the stability of the presidential institution had to be safeguarded at all costs. Ernesto Samper is merely making use of this prerogative.

Colombia: Coast Guard Stations To Deter Traffickers

96SM0143A Santa Fe de Bogota EL TIEMPO in Spanish 11 Mar 96

[Received via Internet]

[FBIS Translated Text] With the fundamental goal of reinforcing its capacity for surveillance and control, and to combat the drug trade's constant activity on Colombian seas, the National Navy will construct 24 new coast guard stations on the Atlantic and Pacific shores.

According to Navy sources, the new stations, four of which are already in full operation, are part of a special program based on Decree 1874 of 1979.

Each coast guard station will have vessels, communications systems, and surveillance devices using sensors such as radar.

In addition, there will be specialized personnel assigned to the ports, harbors, interior waters, and territorial sea, as well as the contiguous zone and the exclusive economic zone.

According to Navy spokesmen, this component will support the control of the trafficking of arms, prohibited chemicals, and explosives, and of piracy and the illegal trafficking of natural resources in the country's maritime and jurisdictional areas. It also will lend support for protection of the marine environment, control of clandestine migration, and supression of smuggling.

The spokesmen added that the coast guard stations will, when the occasion arises, aid in assistance and rescue activities, and cooperate with civilians and private entities engaged in legal activities on the sea.

Area of Coverage

In the Caribbean, the sites selected for installing the stations are: Cartagena, Barranquilla, Santa Marta, Covenas, Turbo, Riohacha, Puerto Bolivar (Guajira), Puerto Estrella, Castilletes, Sapzurro, San Andres, Providencia, and Serranilla.

The sites that will have coast guard stations on the Pacific Coast, for its part, will be: Buenaventura, Jurado, Bahia Solano, Nuqui, Bahia Malaga, Charambira (mouth of the San Juan River), Guapi, Gorgona, Malpelo, Tumaco, and Cabo Manglares.

Of this group, the coast guard stations in Buenaventura, Bahia Solano, Cartagena, and Turbo are now active. The first station to be activated was Buenaventura, since it is the port with the most maritime traffic in Colombia.

In April of this year, also in that port, the first system installed in Colombia for coastal surveillance and maritime traffic control will begin operating, supplementing the activity of the coast guard stations.

For this year, the government has set as a priority the construction of the station on San Andres Island, with a structure costing approximately 10 billion pesos.

The funds are already assured until 1998. An ARC Espartana patrol boat, to be brought from Spain, will be assigned to this station.

Colombia: Drug Shipment Route Said Used by FARC

96SM0144A Santa Fe de Bogota EL TIEMPO in Spanish 11 Mar 96

[Received via Internet]

[FBIS Translated Text] Cali—In order to break up the marijuana trafficking network being coordinated by the FARC's [Revolutionary Armed Forces of Colombia] Sixth Front in northern Cauca, the Army's Third Brigade has intensified its operations in the rural areas of Corinto and Miranda, where the guerrilla movement is growing and processing the leaves.

According to the Army, the FARC have stopped guarding the crops of other drug traffickers, to engage in producing and directing the marketing of their own marijuana shipments, so as to have direct control over the profits.

This situation was confirmed last week, after troops from the Pichincha Battalion and the First Counter-Guerrilla Batallion of Numancia discovered a cache containing 16 tons of marijuana ready for marketing by the FARC. The drugs were packed in cans disguised as containers for pineapple in syrup.

General Jorge Miranda, commander of the Third Brigade, reported that the discovery was made on a farm in the Guacas district, in a rural area of Corinto, where an Indian found guarding the shipment was arrested.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Also confiscated on this same site were two electric power plants, a hydraulic press, a canning machine, and an electric compressor, among other components.

The Army reported that, with these machines, the marijuana was being packed in the labeled cans for shipment to Buenaventura and subsequent export to Europe and the United States.

This illegal trade route is part of the guerrillas' strategy for controlling the entire drug sale process. Army spokesmen estimate that this shipment would have represented a profit exceeding 250 million pesos for the ring.

According to the official report, on 16 February of this year 400 packages of marijuana controlled by the FARC were discovered in a cache in the La Cominera district.

Moreover, on 25 February 350 kg of the narcotic were seized, and five persons were held. The latter were placed at the disposal of the Prosecutor General's Office to have their legal situation determined.

Similarly, on 26 February, on the site known as El Placer, two laboratories used to process narcotics were dismantled.

During the operation, the authorities confiscated a large quantity of chemical precursors used to produce narcotics.

The authorities calculate that, during the past few weeks approximately 30 tons of marijuana have been seized. There is not yet an exact figure for the amount earned monthly by the subversives from this activity in the region.

Ecuador

Ecuador: MOMEP's Second Phase Ends; Third Phase Begins

PY1303200996 Quito Voz de Los Andes in Spanish 1700 GMT 13 Mar 96

[FBIS Translated Text] The Ecuador-Peru Mission of Military Observers, MOMEP, has completed the first two phases of its peace mission. Today it begins the third phase of an operation that has been publicly termed excellent.

The MOMEP work is very important at this time when Ecuador is expecting the complete military demobilization in the area where the war took place one year ago.

Interviewed by a television station yesterday, Ecuadoran Foreign Minister Galo Leoro said that to begin negotiations on the key issue, first it must be determined that the previous phases of the process have been fulfilled — and that is the MOMEP's job.

Ecuador: Reactions to Peru's Disclosure on MOMEP Cost

PY1203205896 Quito Voz de Los Andes in Spanish 1700 GMT 12 Mar 96

[FBIS Translated Text] Ill-intentioned and exaggerated is how Ecuadoran military sources described reports from Lima that it has cost $4 million to keep the Ecuador-Peru Military Observers Mission, MOMEP, involved in the peace process for almost one year. This comes as MOMEP is about to start its third phase of operations.

Peru seemingly does not want the MOMEP to remain and this is why it is publishing this information which is not within the realms of reality.

The source said Ecuador is willing to contribute to keep the MOMEP, if possible until the border talks are concluded.

The source said the Ecuadoran Armed Forces believe the permanence of the MOMEP in the zone where the war was waged last year is justified to overcome the border dispute between the two countries. The cost represents an investment for peace rather than an expense.

Ecuador: President on Decision To Convene Special Session

PY1203190896 Quito Voz de Los Andes in Spanish 1700 GMT 12 Mar 96

[FBIS Translated Text] The special Congress session convened by the president of the Republic for today to discuss three specific subjects has nothing to do with the impeachment of Comptroller General Juan Carlos Faidutti.

This was stated by President Sixto Duran-Ballen as he returned from Trujillo, Peru.

Duran-Ballen said that the session has not been summoned to save the comptroller but rather to discuss neglected issues such as: The executive branch's partial veto of the financial institutions law; the decree extending the contract of the Guayaquil Potable Water and Sewage Enterprise; and the reorganization of the Guayaquil court.

The assessment of the partial veto is very important to the Ecuadoran financial system and should have been discussed a long time ago, the president said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Ecuador: Lack of National Vision Decried

96SM0136A Quito HOY in Spanish 5 Mar 96

[Commentary by Andres Carrion: "The Great Tragedy" — received via Internet]

[FBIS Translated Text] The task that we should undertake is to decide on the road that we must traverse and, basically, the goal that we hope to reach. We must choose our future course. Ecuador must find the justification for its existence. It is like the adolescent who on the eve of obtaining his bachelor's degree must choose his career, his profession. It is a complex choice, but one that must be made. We cannot make a mistake. The risk involved is that we will mistakenly engage in an activity without having a corresponding vocation.

Our country should take this step, decide where it is going, and embark on that course. And our country is being built by all of us—by all of its inhabitants—but it is our country's leaders who should develop the plan and begin its implementation. Now that we are entering the electoral fray, it is appropriate to require that the candidates present this itinerary. It is a good idea to have a road map.

What we have is mere campaign rhetoric and little real substance. The tasks that Ecuador needs to accomplish are not being debated or even broached. What you have is the obsession to win power, nothing more. Just win the election; the governing can come later. There are companies that invest money in a business that is called politics. Companies are formed and issue various kinds of stock that is used to speculate on victory. Many put their eggs in different baskets and in the end never lose.

Meeting the challenge of leading the nation—of guiding it on the best course—is the task of the new government leaders, and for that reason they need to inform us—the passengers—of all the details of the trip. This is a legitimate request, inasmuch as the absence of ideologies prevents us from even surmising the basic philosophy that underlies the thinking of the candidates. A statesman—the president of a nation—should have such an outlook. He should have a global vision that extends beyond tomorrow. He should have a solid education and an extensive cultural background: He cannot govern on the basis of the newspaper headlines. The president of the Republic must have the ability to absorb the national spirit.

Presidential candidates should be trained to respond to the macro concerns of the voters. It is not necessary for them to respond to minor issues, specific cases, or private matters, but they do need to know with absolute clarity the policies that they would implement in the important areas of the nation's development. I am inclined to mistrust candidates who have an answer for everything and resemble snake charmers: Candidates who answer every question with words and set phrases retrieved from their memory banks. Nor do I have faith in those individuals who have not developed their own basic ideas, so that when confronted by a troublesome question from the audience they refer it to an intermediary. I do not trust those who elevate themselves to unattainable heights and then sermonize: They are worse than fortune tellers or magicians. They even have ways of justifying their predictions that do not come true.

In the final analysis, the people get the leaders they deserve. Our president will accordingly be the candidate for whom we cast the most votes. Neither aptitudes nor qualities will be taken into account. It will be the sum of the votes, pure and simple. Neither the mistakes of some nor the virtues of others will matter; only the ballots will count. Are people aware of the absurdity of formal democracy? The candidate who becomes president will not necessarily be the best of the lot: He will simply be the one who receives the most votes. That is the great tragedy.

In conclusion, we should realize that we will never finish our plan for becoming a nation; we will always be in the process of constructing it. Every election season we replant the fields; every 10 August we lay the foundations for the nation. The Quito airport, which is permanently under construction, typifies Ecuador. It is time to decide just what we really want to be.

Paraguay

Paraguay: 'Evidence' of Congressional Wrongdoings

PY1303010696 Asuncion NOTICIAS in Spanish 1 Mar 96 p 3

[FBIS Translated Excerpt] Paraguayan President Juan Carlos Wasmosy on 29 February turned over to the state prosecutor general and to the president of Congress the alleged evidence against the members of the Congressional Investigative Committee (CBI). The chief executive also submitted a memorandum explaining to the appropriate authorities the purpose of the documents that were being brought to their attention concerning alleged "extortion, blackmail, and coercion," which, if proven to be true, "could move the state to press charges against those involved." The documents submitted by the chief executive specifically mention Deputy Ismael Echague [Colorado Party], Deputy Benjamin Benitez [Authentic Radical Liberal Party, PLRA], Senator Elba Recalde [PLRA], Deputy Hermes Rafael Saguier [PLRA], Deputy Walter Bower [Colorado Party], Deputy Luis

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Alberto Mauro [National Encounter Party], and Deputy Blas Llano [PLRA].

President Juan Carlos Wasmosy sent to Congress President Milciades Rafael Casabiance and State Prosecutor General Anibal Cabrera Veron hefty binders full of photocopies of documents allegedly proving his charges against members of the CBI. Thus, the president complied with the controversial agreement reached with the presidents of both chambers of Congress at the presidential residence some weeks ago.

Government Attorney General Jorge Raul Garcete met with President Wasmosy on 29 February and then took the documents that Wasmosy feels could prove his allegations of "extortion, blackmail, and coercion" against certain members of the CBI to Congress and to the State Prosecutor General. [passage omitted]

Paraguay: Asuncion Mayor Seeks PEN Presidency

PY1203191896 Asuncion NOTICIAS in Spanish 21 Feb 96 p 10

[FBIS Translated Text] The PAIS [Broad Participation, Integration, and Solidarity] faction of the National Encounter Party [PEN] — which is led by Asuncion Mayor Carlos Filizzola who is this faction's candidate for PEN president — on 20 February established an alliance with the Democratic Opening Movement, Maden, faction of the PEN, which is led by Ursino Barrios.

The two factions signed the agreement at the PAIS headquarters at 2981 Manuel Dominguez St. in Asuncion.

The PAIS faction which is fielding Carlos Filizzola for party president previously established an alliance with the Integration for Change Movement [IPC] led by Deputy Luis Alberto Mauro, who is PAIS-IPC candidate for party first vice president. Thus, the PAIS-IPC-Maden alliance has been established.

The leaders of this alliance are vying for the leadership of the PEN which will be fought at the internal party elections scheduled for 14 April. Carlos Filizzola said they propose to strengthen the PEN with a view to the national elections slated for 1998.

There are three candidates who will compete for party presidency on 14 April: Carlos Filizzola for the PAIS-IPC-Maden alliance; Mario Paz Castaing, for the Institutional Encounter Movement-Democratic Society alliance; and Carlos Peralta for the Convergence and Participation faction.

Paraguay: Declaration Issued on Upcoming Peasant March

PY1203174096 Asuncion NOTICIAS in Spanish 12 Mar 96 p 3

[FBIS Translated Text] Interior Minister Diogenes Martinez said on 11 March that President Juan Carlos Wasmosy ordered all security organizations not to repress the peasant demonstration under any circumstances, except for an outbreak of violence which puts the population's security or other people's interests in jeopardy.

Martinez made this announcement at San Lorenzo yesterday after accompanying the president to the launching of roundtable discussions on social policies organized by the United Nations. Several government officials, including the interior minister, attended the inaugural session.

Martinez said that the National Police have been adequately trained to handle the demonstration by 50,000 peasants on 15 March and will strictly follow the president's order. The minister warned that any police officer who is surprised violating the executive order will face an inquiry and if he is found to have violated it will be dismissed.

After issuing this order yesterday the president suddenly decided to call a meeting of all the heads of security organizations (Military Forces Commander Silvio Rafael Noguera and Police Chief Superintendent Mario Sapriza), ministers, and directors of entities involved in rural matters at Government House to analyze, face to face, possible government answers to peasants demands.

At the end of the meeting the government issued a declaration accepting the peasant protest "as a legitimate expression of Paraguayan democracy." The interior minister said that "citizens in general do not have to worry because all state security organs will be ready to guarantee order."

Participated in the meeting, besides Noguera and Sapriza, the ministers of agriculture, public works, and education; the directors of the Agriculture Development Fund, Antelco [National Telecommunications Administration], Corposana [Water and Sanitation Corporation], state banks, and others. Government officials also analyzed other issues of national interest.

Government Declaration

1. The government accepts this demonstration as a legitimate expression of Paraguayan democracy.

2. In accordance with the official intention of definitively installing the state of law in Paraguay, the government will offer the maximum guarantee to demonstrators and the tranquillity derived from security to citizens.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Demonstrators' right to demonstrate will be protected. During the march the police will only take defensive and preventive actions. The government will guarantee that the population is able to exercise all its rights.

Peru

Peru: Congressional Friendship Group Created With Brazil

PY1303034496 Lima EL COMERCIO in Spanish 21 Feb 96 p A4

[FBIS Translated Text] The Peruvian-Brazilian Congressional Friendship Group was created on 20 February in an attempt to encourage cooperation in the development of the two nations. The decision to support the efforts aimed at promoting integration and bilateral cooperation is the group's central objective.

The installation ceremony was held at the Legislative Palace. It was attended by Congressman Victor Joy Way (C90-NM) [Change 90-New Majority], who presides over the group; some Peruvian congressmen who are members of the group; and, representing the Brazilian group, Ambassador to Peru Carlos Luiz Coutinho Perez.

Commenting on the need to create this congressional group, Joy Way said: Gas exploitation in Camisea, Peru; Brazil's industrial and financial potential; the Amazon River; and the Pacific Ocean are only some of the points of common interest.

Coutinho Perez pointed out the fact that Peru and Brazil comprise 80 percent of the Amazon, a situation that contributes to having their objectives very closely related.

Joy Way said that the group seeks to encourage major binational projects but, above all, "to exchange congressional experience on the handling of laws, and to jointly promote a number of laws to benefit the development along our borders."

The Executive Committee of the Peruvian-Brazilian Congressional Group will be comprised of Carlos Blanco Oropeza (vice president) and Genaro Colchado (secretary). Aurora Torrejon, Luis Chang Ching, and Alfonso Grados Bertorini were appointed directors. The members of the group are: Alfonso Baella Tuesta, Graciela Fernandez-Baca, Harold Forsyth, Alejandro Santa Maria, Dennis Vargas Marin, Xavier Barron Cebreros, Victor Coral, Antonio Llerena, and Andres Reggiardo.

Daily Criticizes Ecuador's Claim Over Amazon

PY1303203096 Lima EXPRESO in Spanish 8 Mar 96 p A30

[Editorial: "Little Piranhas"]

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro announced that the alleged partial inexecutability of the Rio de Janeiro Protocol would appear among the "subsistent impasses" and added that "Peru will thus be unable to refuse to discuss it." He made this comment enjoying his anticipated pyrrhic victory. But the recently released list of Ecuadoran "impasses" includes a "free and sovereign Ecuadoran access to the Maranon and Amazonas Rivers," which violates the Rio de Janeiro Protocol and lacks any basis.

So, was the Quito agreement establishing the invariability, on both sides, of their respective list of "subsistent impasses" appropriate or not? There is no juridical commitment, but "with this, are we not revalidating the voracious territorial aspirations of Ecuadoran military leaders?"

Unexpectedly, the Ecuadoran Government, surely under military pressure, has gone back on its word and revived its old claim for sovereignty in the Amazon and links it to the alleged inexecutability of the protocol in the 78 km of the Condor mountain range. Therefore, it is wrong to assume that Ecuador has diminished its claim by not extending to the entire border the alleged partial inexecutability of the protocol. Ecuador only needs an entry, according to its generals, to someday reach the Amazonas River.

Ecuadoran military leaders are prepared to make the negotiations fail by boring Peru, the guarantor countries, and the entire international community, and by returning the progress made back to the starting point. In the meantime, the civilian government of Sixto Duran-Ballen, absolutely unpopular and weakened by its military mentors, chooses to leave the scene with a theatrical farewell. The future will tell if the next Ecuadoran Government will be able to make a more dignified, serious, and realistic proposal than the one received by Peru.

The guarantor countries could take two steps; either forward, as in 1960, to reject any proposals ignoring the validity of the Rio de Janeiro Protocol and the arbitration of Dias de Aguiar or offer, as in 1958, to interpret the protocol and the arbitration, which cannot be reviewed or followed by a new arbitration. Either of the two could be proposed by Peru if Ecuador insists on reviewing those two documents.

The real interest of Ecuador is not really the top aspiration of its military leadership. Ecuador did badly

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

with the theory of annulling the protocol, which was rejected by the guarantors in 1960, and had make a correction by proposing the theory of the "honorable transaction." Ecuador lost again in 1981 in the case of Falso Paquisha, and in 1995 with the military and diplomatic defeat when its soldiers were evicted from Peruvian territory. Its worst defeat now is the complete turnaround of international opinion, which until last year still believed in the hoax that Ecuador was the victim and Peru was the aggressor. Now it is known on which side political and military interests are working to keep the wound open because they take advantage of it. The alleged innocence of the badly treated little country has given way to the ugly spectacle of the "little piranhas" slipping into someone else's pond.

Intelligence proposals remain ahead of us, such as the old Puyango-Tumbes project and, in case Ecuador shows a new and different attitude, the task of signing a treaty on trade and free navigation of the Amazonas River contemplated in Article Sixth of the Rio de Janeiro Protocol.

Peru: Ecuadoran Argument on River Extension 'Fallacious'

PY1303183796 Lima LA REPUBLICA in Spanish 10 Mar 96 p 6

[FBIS Translated Text] Ecuador has been aware, since at least 1943, of the extension of the Cenepa River and its argument that it only learned about it after the publication of the aerophotographic map drawn by the United States in 1947 "is fallacious," according to high-ranking Peruvian diplomatic sources.

The sources stated that in 1943, a mixed brigade with a Peruvian and an Ecuadoran representative travelled right up to the Cenepa River headwaters, to the point of the Condor mountain range where the Zamora-Santiago water divide is clearly located.

The day after the lists of Peru's "demarcation impasses" and "Ecuadoran subsistent impasses" were made public, the Quito daily EL UNIVERSO insisted that from the map drawn by U.S. experts "it was understood that a portion of more than 190 meters of the Cenepa River runs between the Zamora and Santiago Rivers. The headwaters of the Cenepa River, a direct tributary of the Maranon River, reach the northern foot of the Condor mountain range."

The daily states that "this long and large river was a true revelation on the aerophotographic map (drawn by the United States), because until then it was only believed to be a a small creek, whose northernmost origin was believed to be only a little beyond the latitude of the mouth of the Santiago River."

In the recompilation of all the documents related to War and Sea Captain Braz Dias de Aguiar's ruling made by the Peruvian Foreign Ministry, there is a revealing report issued by officers of the Luis F. Montezuma Second Brigade, on behalf of the Peruvian Commission, and by Gustavo Proano Franco, on behalf of the Ecuadoran Commission.

This report informs the lieutenant colonel who headed El Condor subcommission of the Peruvian-Ecuadoran Mixed Borders Commission about the overall results of the exploration of the Condor mountain range "with the purpose of locating a point within the borderline comprised by the water divide of the Santiago and Zamora Rivers."

Point No. 5 of the mentioned report, signed by the Peruvian and Ecuadoran officers, clearly states:

"We took advantage of an existing short clearing in the Cenepa River and further on opened our way until we reached the headwaters where, and despite the difficulties, we fortunately found the water divide of the Santiago and Zamora Rivers we were looking for."

"Point No. 6 adds that we are very certain we have found this line (the divortium that Ecuador now pretends to not be aware of) for the following reasons:

"a. Once we reached the plain in which it ends, we found that it is a space set between the reference line of a mountain range running in the north-south general direction, which is the direction in which the Condor mountain range is known to run;

"b. East and west of this line, respectively, there are no other higher elevations;

"c. Despite the difficulties posed by the weather conditions, it is clear and notorious that it represents a water divide that slopes to the east and the west; and

"d. It is a unique peak of its type, due to its geological structure, comprising sedimentary rock with horizontal strata, and almost without any vegetation, at the summit of which there are none of the spurs that form the ravines stemming from it and, as we have already noted, give it the typical aspect of the water divide."

In the conclusions of the report dated 27 October 1943, the two officers even believe that planting a land marker in that site "is not absolutely necessary, because we believe that nobody can find another line other than the aforementioned divide."

Another argument which the Peruvian Foreign Ministry may use to refute the Ecuadoran argument may be the delay of its first observations to the existence of the water divide, due to the "real" length of the Cenepa

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

River, until two years after the U.S. Air Force report was officially disclosed.

Very timidly, in 1949, the Ecuadoran ambassador to Peru told Foreign Ministry officials that the existence of the Cenepa, in its true dimension between the Zamora and Santiago Rivers "created problems."

Only in 1951 did Ecuador emphatically assert that the water divide did not exist between the Zamora and Santiago Rivers due to the real existence "of a great portion" of the Cenepa River.

However, history tells us a different story which is undoubtedly endorsed by the aforementioned document signed by a Ecuadoran military expert which, after being regarded as valid, was capriciously questioned later on.

Peru: Analyst Says SL May Become 'Urban Terrorist' Group

PY1303140496 Lima LA REPUBLICA in Spanish 10 Mar 96 p 16

[FBIS Translated Text] Carlos Tapia, an analyst of the Shining Path [SL] phenomenon, yesterday warned about the possibility that this terrorist group may become an urban terrorist movement similar to the Islamic group Hamas and the Spanish ETA, and move toward the Colombian guerrilla model, which is linked to drug trafficking.

Tapia, a scholar who studied this group, stated that the reduced SL cadres, now led by comrade "Feliciano," can remain permanently in Huallaga and in towns to carry out attacks such as the murder of popular leader Pascuala Rosado.

"But in political terms they have no objective nor concentration of forces, because no one encourages anyone by killing helpless mothers, and the only thing they can generate is terror, fear, and in this sense it can become a terrorist organization combining ETA with Hamas and Colombian guerrillas," he said.

Tapia agreed with Congressman Daniel Espichan that the SL has been totally decimated, and that the recent murder of former Huaycan leader Pascuala Rosado "is an isolated act."

"To kill a defenseless mother does not require much courage, bravery, or many resources, many weapons, or many people," he said.

He said that SL has achieved a double objective: vengeance against a woman who confronted it in Huaycan, and free publicity, although this does not rule out the fact that they have been definitively defeated.

"Investment has been relatively small, the risk has been nil, and surely other similar cases can take place with their selective executions," he said when consulted by the journalistic-political program "Previous Issue," which is broadcast by Radio Antena Uno.

He said that the leftovers of SL "are just mere miserable assassins of a fundamentalist sect who have murdered a modest woman "who has now become a popular hero."

He added that current SL members "are a few idiots" in the political sense amd "for this reason SL has stopped being a political alternative and has become a gang of assassins."

Tapia said he does not believe that SL could have been divided between the followers of Abimael Guzman — sentenced to life imprisonment — and followers of Oscar Ramirez Duran, comrade "Feliciano."

"When they are under arrest (SL members) they act by using terrorist methods, and when they are under arrest they revive peace. But when they are free they shout 'viva' to Presidente Gonzalo (Abimael Guzman), and when under arrest they also shout 'viva' to Presidente Gonzalo," he said.

He said just think what negotiating power Abimael would have if there were no free terrorists.

"This is a very rare case in world history that an imprisoned terrorist leader like Abimael negotiates a peace agreement, and he achieves the release of some prisoners. According to Michel Azcueta, they are now making threats," he said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.